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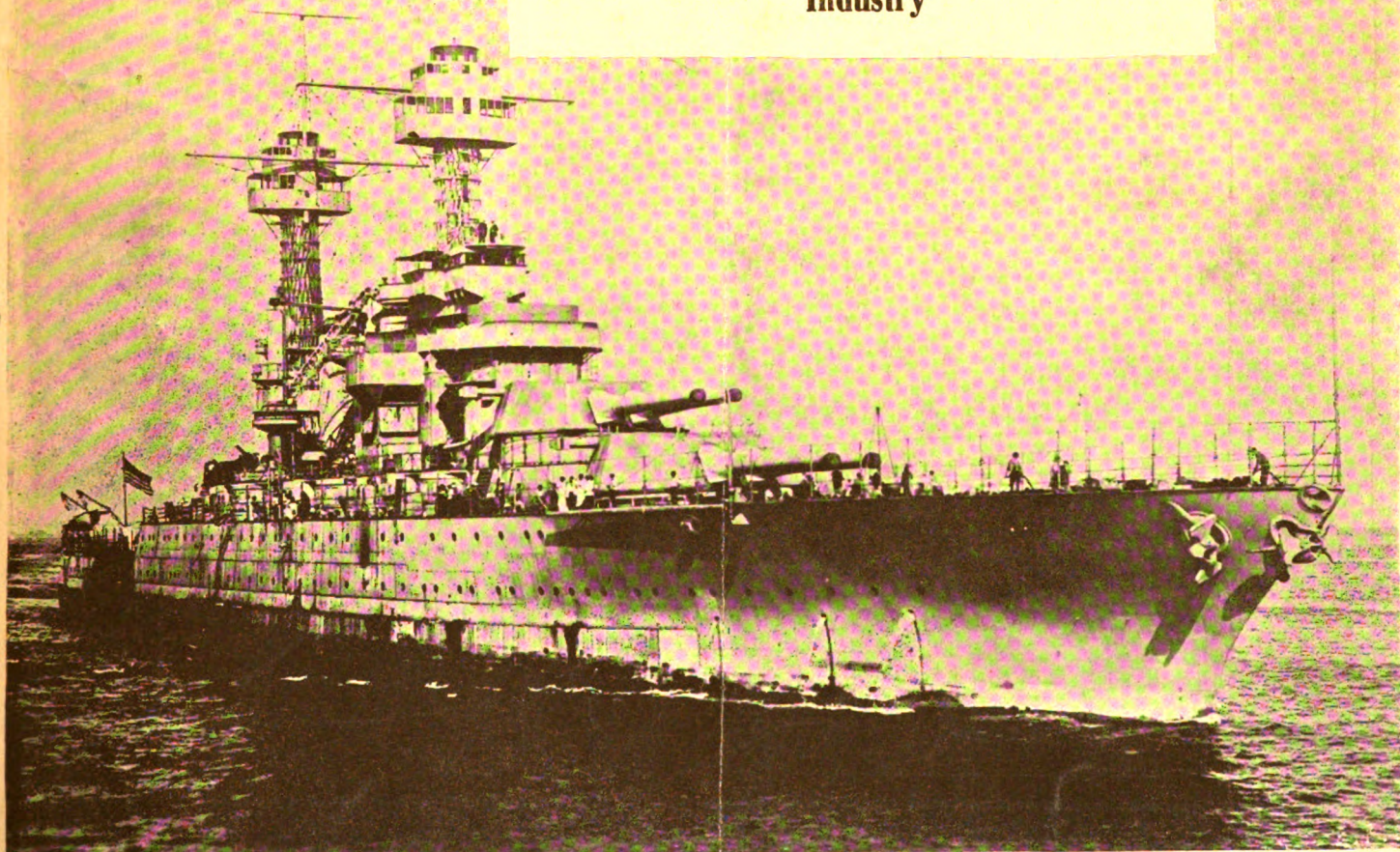


# AMERICAN INDUSTRIES

AUGUST 1921

VOL. XXII. No. 1

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FEBRUARY 1922

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(Front Cover Design: Head of drainage shaft in the Hudson River section of the Ashokan water supply tunnel. The dome is the largest steel casting in the world, is sixteen feet in diameter, and is bolted down with thirty-two nickel steel bolts, fifty feet long and four and a half inches thick, to hold it against the terrific pressure, the water having a 500 foot heading.)

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## *F. Eugene Ackerman*

for the past three years editor of the official international publication of the National Association of Manufacturers is now engaged in general editorial and publicity work with offices at

**No. 141 Broadway, New York City**

Mr. Ackerman is prepared to act as an advisor or director of national and international information and publicity campaigns for individuals, corporations and foreign governments. He will specialize in inter-organization magazines for the development of good will and understanding between employers and employees, and in the editing of House Organs for the information of the general public or for the stimulation of sales.

Mr. Ackerman during the past fourteen years has had an extensive experience in the United States and abroad as a journalist, specializing in matters of finance and commerce. As an officer of the United States Naval Reserve he re-organized the inter-allied censorship of Brazil and served as organizer and director of the Bureau of Latin-American Affairs of the Information Committee of the United States Government. He has during the past several years directed the organization of chambers of commerce in this country and abroad and has supervised the information services of corporations, associations and foreign governments.

# AMERICAN INDUSTRIES

ENTERED AS SECOND-CLASS MATTER AT THE  
NEW YORK POST OFFICE

REGISTERED IN U. S. PATENT OFFICE

MEMBER OF AUDIT BUREAU OF CIRCULATIONS

PUBLISHED MONTHLY BY

The National Manufacturers Company, 50 Church St., New York City

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Vol. XXII

MAY 1922

No. 10

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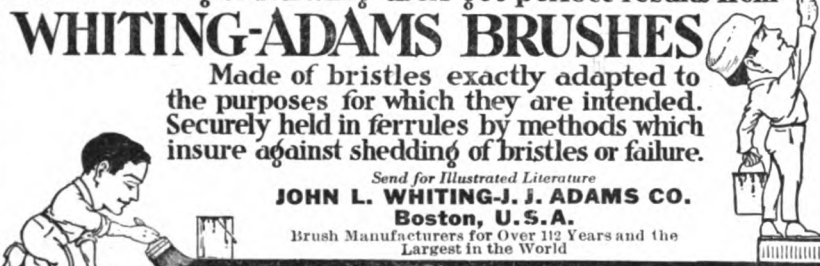
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JUNE, 1922

No. 11

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Cover illustration: Admiral R. E. Coontz, the ranking officer of the United States Navy, greeting John E. Edgerton, the ranking officer of organized industry, and the board of directors of the National Association of Manufacturers, aboard the battleship "Wyoming," on the occasion of a special luncheon given to the manufacturers in connection with the twenty-seventh annual convention of the Association.

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—A race against time, delays, acci-  
dents, pay-rolls, schedules. Don't dis-  
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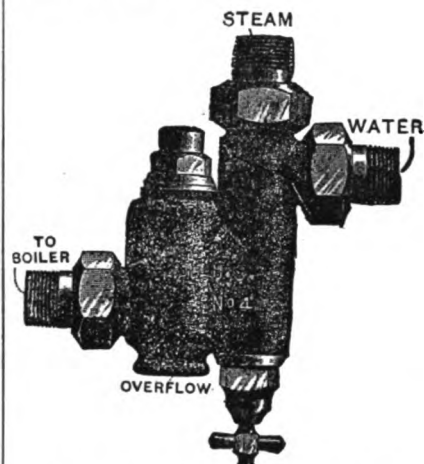
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JULY, 1922

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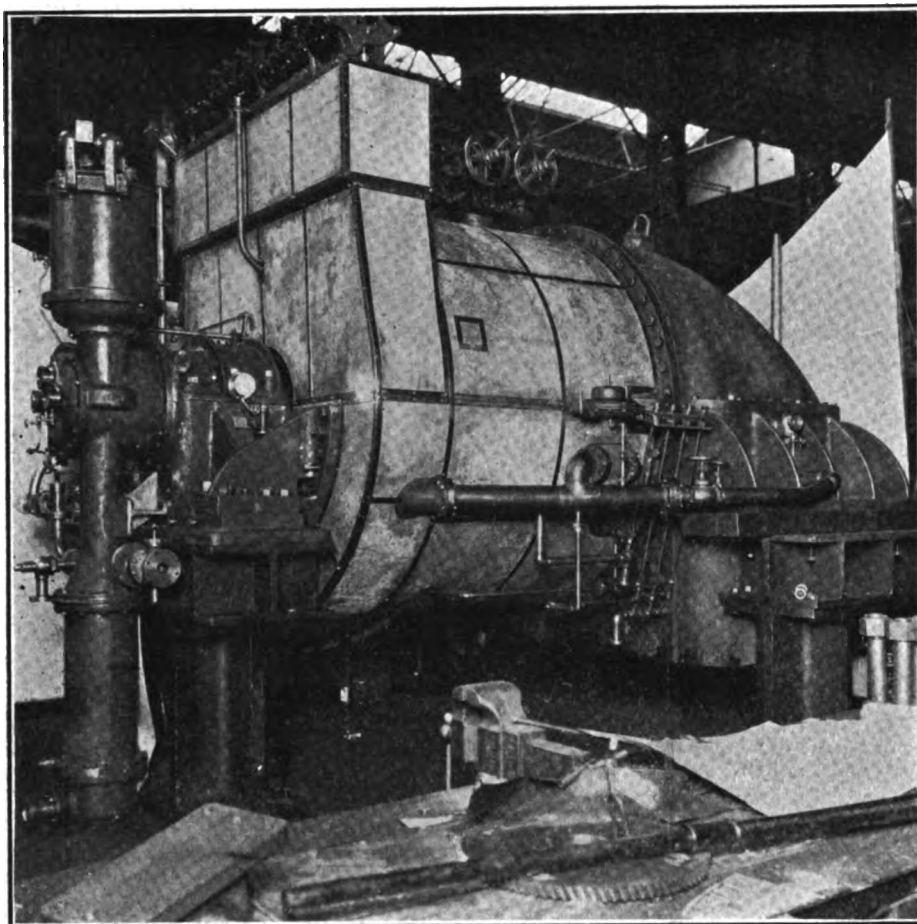
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Propulsion Unit No. 1 Turbine, 10,600 K.W., 2,065 R.P.M.

all sorts of tests, bringing into play the greatest possible stress on all parts of her machinery and equipment but not the slightest trouble was experienced. In fact naval officials declare she operated more like a boat that had been in service four or five years, so readily and easily did she respond in the tests.

Captain Charles F. Preston, who has been assigned to the command of the *Maryland* and was aboard during the preliminary trials is most enthusiastic over the perfect performance of the new electric ship. "Never on a warship that pleased me more in my thirty-six years with the navy. She's a wonder in every respect, the best warship in our navy and the most powerful in the world," he declared. "I am highly pleased and satisfied with her electric equipment. There is practically no vibration and sometimes I actually looked out to sea to learn if we were under power so quietly and smoothly did her machinery operate."

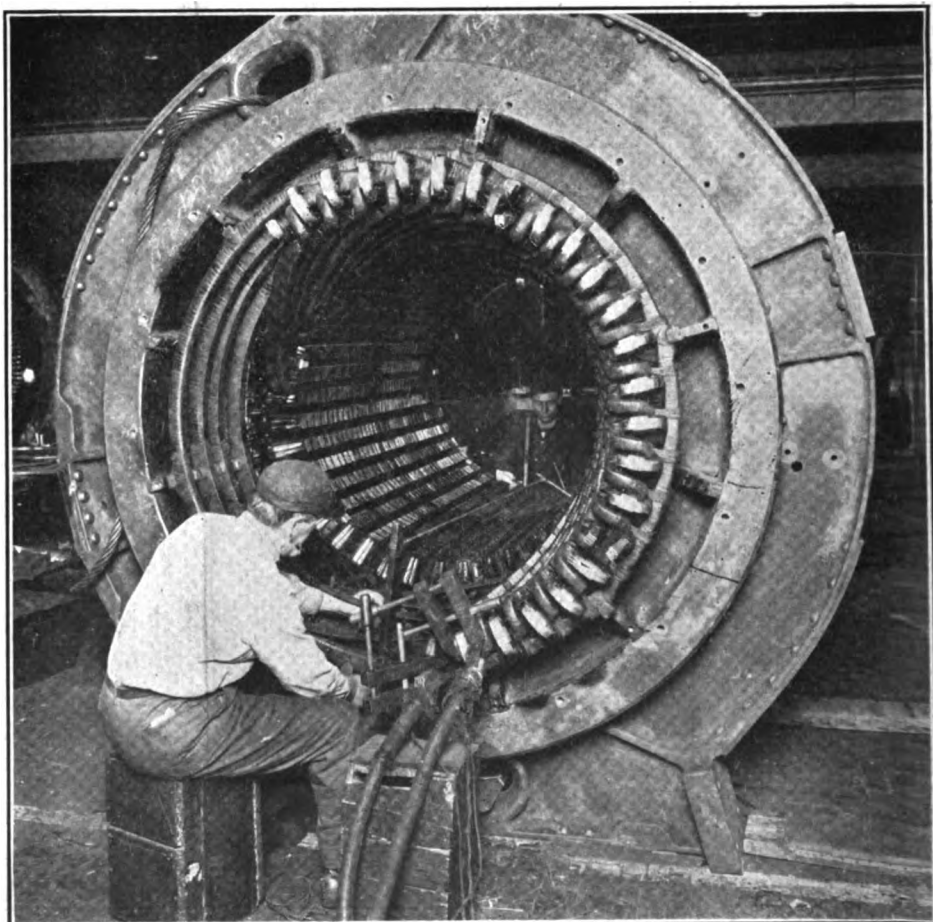
Like her prototype, the *New Mexico*, pioneer electric warship of the world, the *Maryland* is electrical throughout. Her main propulsion machinery consists of two Curtis steam turbine generators, each designed to develop 11,000 kilowatts at a speed of 2,030 revolutions per minute to drive the ship twenty-one knots. These

sink the ship by an under water attack. The crew and vital parts will be protected by armor plate so thick that only the largest caliber shells, fired at moderate range, might penetrate.

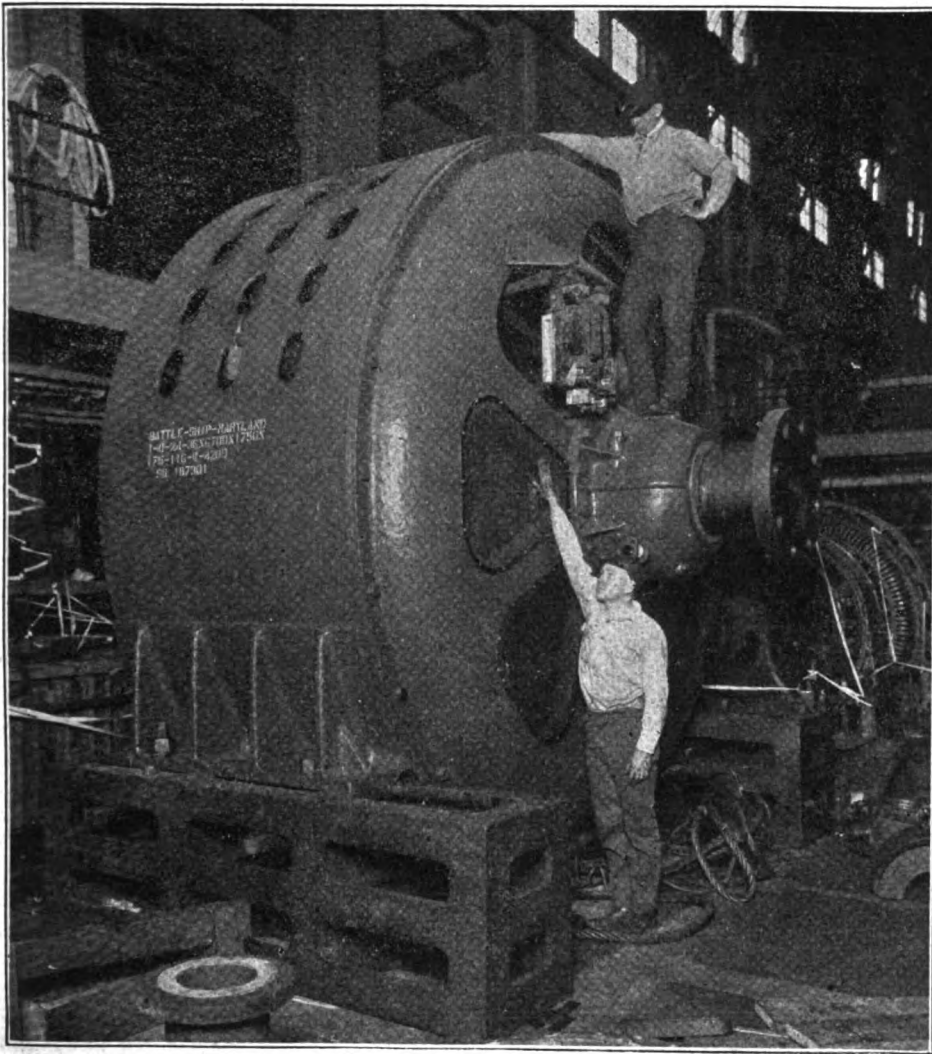
This huge warship weighs 32,000 tons, which if represented in a bar of iron weighing one pound to the foot would form a band of iron from the North Pole to the South Pole with enough in addition to reach from Maine to Florida. She will have a speed of twenty-one knots and a cruising radius of somewhat more than 10,000 miles.

The *Maryland* "coals" through a six inch hose, that is because she burns only oil for power. Her fuel capacity is approximately 1,392,200 gallons. If the vessel were an automobile, which could make twenty miles on a gallon, this amount of oil would drive her close to twenty-eight million miles. However, a 32,000 ton battleship does not equal the mileage of a flivver for it weighs as much as 60,000 of those vehicles and must plow through water displacing her own weight of water each time she runs her own length, 624 feet.

This most modern of warcraft recently completed her builders trials with a perfect record. For thirty-three continuous hours at sea off the Virginia Capes, she was put through



Heating and Assembling Stator Coils

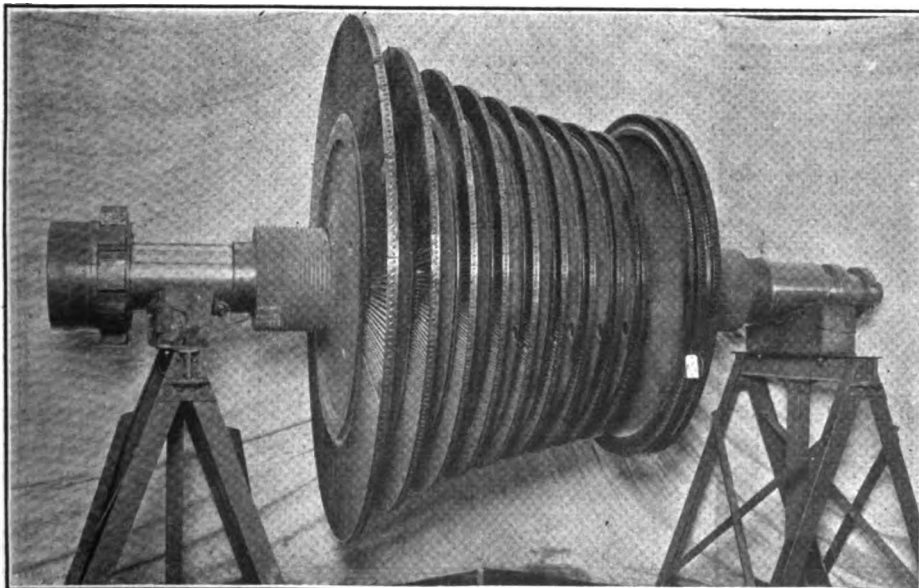


One of the Propeller Motors

supply power to four 7,000 horse power General Electric induction motors, directly connected with the four propellers and turning at 170 revolutions per minute. The motors, among the largest ever built, are twelve feet in diameter, weigh sixty-

two tons, and the 28,000 horse power thus available for propulsion purposes is enough to supply power to a city of 100,000 population.

The two turbine generators, supplied with steam generated by eight oil burning boilers, can be run inde-



Turbine Rotor for Propulsion Unit No. 1

pendently. Either is capable of driving the ship up to a speed of about seventeen knots. The power generated by them is used for no other purpose than propelling, electrical current for other needs being generated by six 300 kilowatt turbine generators.

These eight boiler rooms are shovel-less. There are seven openings in the front of each of these boilers and in each opening is an oil burner or nozzle at the end of a small pipe. The nozzle is a patented arrangement by



Captain Charles F. Preston  
Commander of the "Maryland"

which the oil is atomized by centrifugal force, although the nozzle is stationary. This is accomplished by pumping the oil in at a very high pressure, and grooves in the nozzle give the oil a rotating motion at the instant that it leaves the nozzle and enters the furnace. There are no air pipes supplying air to the boilers as the fire-room itself is one big air chamber, filled with air pumped in at a higher pressure than outside. The air rushes in around the nozzle and while doing so it is given a rotating motion by

stationary vanes which resemble the blades of a fan but which do not move. The atomized oil, mixed with the air, makes a perfect mixture for getting the most heat from the fuel, with practically no smoke.

If a smoke screen is desired, this is easily accomplished by a different regulation of the air and oil mixture, resulting in an inky black cloud being vomited from the two smoke stacks. Each boiler room is in a separate water tight compartment, a very essential arrangement in case of accident. The vessel can operate if only one of the eight boilers is running and can maintain full speed with but four in use.

Virtually every electrical appliance used afloat and ashore has been installed in this new battleship. The electrical equipment includes radio telegraph, loud speaking telephones, ordinary telephones, gyroscope compass, steering gear, anchor windlass, capstan, boat cranes, winches, air compressors, air heaters, turret training, turret gun elevating, ammunition

hoists, gun firing, range signaling, powder testing oven, common deck fans, ice machines, laundry equipment, carpenter shop, lighting, visual signals, motion pictures, sterilizer in operating room, potato peeler, ice cream freezer and other kitchen utensils, bake ovens, irons for laundry and tailor, storage batteries, motor boat ignition, etc.

It is probable that no ship built by any nation in the past has been so thoroughly equipped for the comfort and convenience of the crew.

A completely equipped hospital will be maintained on board with navy surgeons to look after the health of the crew and a dentist to look after the men's teeth. A chaplain will be assigned to the ship to hold regular church services and to devote his time to spiritual welfare of the officers and men.

The *Maryland* is third in order of completion of the electrically propelled battleships for the navy. She was built by the Newport News Shipbuilding and Dry Dock Company and the

electrical equipment was designed and manufactured by the General Electric Company.

The ship was launched on March 20, 1920. Her chief characteristics are:

Length ..... 624 feet.  
Beam ..... 97½ feet.  
Draft ..... 30½ feet.  
Weight ..... 32,000 tons.  
Speed ..... 21 knots.  
No. of Propellers.. 4  
Shaft Horse Power. 30,000.  
Oil Capacity ..... 1,400,000 gallons.  
Oil Burning Boilers. 8

Four more battleships of this type are being built, the *California*, with fourteen-inch guns to be completed this summer; the *West Virginia* to be ready for her trial trips in 1922, the *Colorado* and the *Washington*. In addition the navy is building six 43,000 ton, 60,000 horse power battle ships and six battle cruisers, rated at 180,000 horse power each or six times as powerful as the *Maryland*. Both of these types will carry 16-inch guns and will be electrically driven.

## The Maryland And Other Ships

Comparison of the *Maryland* with the U. S. S. *Pennsylvania*, which has the direct turbine drive and different types of battleships of Great Britain and Japan, is given below:

	Maryland	Pennsylvania	Iron Duke	Royal Sovereign	Yamashiro	Ise
Nationality .....	U. S.	U. S.	Great Britain	Great Britain	Japan	Japan
Length overall.....	624	608	622.9	624.3	630	640
Breadth. extreme....	97.6	97' ½"	89.5	88.6	94	94
Load draft .....	30.6	28.10	28	28.6	28.6	28.4
Displacement tons...	32,630	31,400	25,000	25,750	30,600	31,260
Coal capacity, tons...	....	....	3,250	....	2,800	2,750
Oil capacity, tons....	....	2,322	1,050	3,400	800	850
Shaft horsepower ...	30,000	29,000	29,000	40,000	40,000	45,000
Speed knots .....	21.5	21	21	23	22.5	23
Armament .....	8-16 in.	12-14 in.	10-13.5 in.	8-15 in.	12-14 in.	12-14 in.
	14-5 in.	14-5 in.	12-6 in.	4-6 in.	16-6 in.	20-5½ in.
	2-21 in. torpedo tubes	2-21 t. t.	4-21 t. t.	4-21 t. t.	6-21 t. t.	6-21 t. t.
Main battery, location.....	4-2 gun center line turrets	4-3 gun center line turrets	5-2 gun center line turrets	4-2 gun center line turrets	6-2 gun center line turrets	6-2 gun center line turrets
Date laying keel.....	....	Oct., 1913	Jan., 1912	Jan., 1914	Dec., 1913	May, 1915
Date of completion..	July, 1921	June, 1916	Mar., 1914	May, 1916	Apr., 1917	Dec., 1917



# Putting Education In Our Business

*The doctor, the plumber, the electrician, the pilot, all are licensed and suggestion is made that at least a virtual license for men who are responsible for great business enterprises might be a proper thing*

*Written especially for AMERICAN INDUSTRIES*

By ALVAN T. SIMONDS

President, Simonds Manufacturing Company

ONE of the fundamental aims of society and of social order and government is that no individual shall in the exercise of his rights be allowed to injure others, either other individuals or society as a whole. This is really the chief reason why men group themselves into social units.

Government's chief aim is protection, including in this the securing of justice. The tendency of government is to go too far, to interfere too much with the rights of individuals, on the ground that it is protecting others from them; but much we may object to government regulation, we cannot deny to government, as its chief function, protection against other individuals in the same group, as well as against outside groups, without becoming anarchists.

One of the principal ways in which society protects itself and its members is by providing means of education for the young and not allowing them when they are grown to undertake certain activities until after they have proved that they have sufficient education of the right kind so as not to endanger the safety or health of those who employ them, and also to make reasonably certain a just and proper return for the money paid for the service.

In extreme cases society demands that those who would serve it shall be licensed before they are permitted to offer their services for pay. At once there will come to mind the doctor, the lawyer and the teacher; but there is also the public accountant, the pharmacist, the veterinary, the pilot, the plumber, the electrician, the moving picture operator, the engineer, the chauffeur, and many others. In certain cases, government has interfered and said, "You shall not serve your fellow men for pay, even if they would employ you, unless you possess a license proving that you have been tested and are competent to give the right kind of service in return for this pay."

Society insists that a certain competency be demonstrated before these people begin to serve. Such regulation, however, does not and cannot demand that these men shall have the

skill that can be gained only through experience. A young doctor is allowed to perform surgical operations after he has satisfactorily completed the study of medicine, but he will never complete



Alvan T. Simonds

the study of medicine; and at some time every surgeon, no matter how skilful, has to perform his first operation. At that time his only preparation was knowledge, theory and observation. His skill he had to gain by practice.

In every case where society insists that men shall have a certain minimum of education before they are allowed to undertake certain functions, it simply means that they shall not get their first experience without being reasonably well prepared by study and observation. There is no doubt but that a surgeon might with almost no study whatever of the human body become skilled in time, if he were allowed to cut up everyone who needed a surgical operation. If he specialized in appendicitis, probably after killing a few hundred of his first patients, he would be remarkably skilful. It is to save the danger to this first hundred that society interferes.

This plan of requiring definite preparation and of proving it to the satis-

faction of those appointed by society to watch over it is the result of a slow growth of public sentiment and of public procedure through many generations. Perhaps it has been carried too far; perhaps not far enough. There are those who believe too far and others who say, "Not far enough."

Government does not insist in granting licenses to physicians that they shall all believe alike; one may be an allopath, another a homeopath, and another an osteopath; they may differ greatly in their ideas as to the use of medicine. All that government demands is that they shall have studied and gotten the theory and underlying knowledge of the profession which they are going to practice, and where mal-practice would endanger the health or life of one who should employ them.

In the case of other persons following other lines of work, society demands that they should have certain knowledge in order not to disturb or destroy the welfare of those who are affected by their actions. A man who has never studied law is allowed to conduct his own case because he alone would be injured by his ignorance; he is not allowed to conduct cases for others for pay because they would suffer by his mistakes. Society protects the welfare of its members from the ignorance of the man who would practice law without having prepared for such practice.

One, who has in the representation of a promoter invested in a losing venture, says, "Men are not allowed to come to my office and steal my money or my securities outright, but they are permitted to do so indirectly. A man without any test as to his competency may lawfully join with others, all of them including himself incompetent, and organize a business and talk me or hypnotize me by his persuasive powers into putting my money into it to be used by him and his fellow incompetents. Of course, I should know better, but all those who used in the past to employ shyster lawyers and quack doctors should have known better."

Experience proved in the past as it does to-day that as Barnum said, "The

public likes to be hum-bugged," but government stepped in and said, "We will protect you to a certain extent at least; you, the ignorant, foolish, easily led one, and you, the grasping, greedy one, willing to take too great a chance."

Government does not say, "Such protection is impossible, because we cannot establish boards intelligent enough to pass upon the necessary qualifications." It simply says, "We will demand a certain amount of study and knowledge and preparation that should fit the doctor, the lawyer, and others to begin the work which they have chosen without serious danger to those who employ them." Government will not let them begin until they have demonstrated this preparation. Individuals may employ, as they choose or are able, beginners or those who in addition to the preliminary study required by law have also gained greatly through experience.

An increasing number of intelligent, thoughtful men are coming to believe that government in the long run—and it may be a mighty long run—is going to insist that the man or men who embark upon business enterprises using your money and my money, either obtained directly from you and from me or through the banks where we have deposited it, shall show something more than honesty and sincerity of purpose; that they shall be required to prove that by education or experience, or both, they are fitted for the job they are undertaking, as well at least as the young lawyer is fitted to begin the practice of law, because this job of business involves the money and the welfare of others, oftentimes of thousands of others, and usually to a greater degree than the settlement of most cases.

Many are asking to-day, "Was the head of one of the largest tire companies in the United States or of a great pulp company in Canada fitted for his great trust and responsibility?" Did they fail because they did not understand the workings of economic laws; not little understood laws which had not yet been generally agreed upon by students and teachers of the science of economics, but outstanding, firmly established laws that are accepted by practically all; such laws as Frank A. Vanderlip called attention to in the early months of 1920?

Many leaders of business enterprises did not know enough of economics to be interested in what Mr. Vanderlip said or to understand his utterances. Should society allow such men to organize and manage businesses, the failure of which will mean ruin and misery to thousands who have no voice in the management? Shall not men who are allowed to organize and manage such businesses be required to secure a license, as does the doctor or the lawyer?

Of course such an idea is Utopian and may never be realized, or if ever, not for generations. It sets an aim, however, a goal, and by calling attention to it we may make for greater progress along the line in which society protects itself against incompetence.

It occurs at once that a knowledge of economics, which after all means a knowledge of business and the laws that determine business success or failure, will not necessarily make a man successful in business. Doubtless many will say at once, "Deliver me from the long-haired professor of economics as an organizer or leader of a business." Let us remember that we could say exactly the same thing about the young lawyer or the young doctor. A knowledge of law does not make a lawyer or a knowledge of medicine, a doctor; but the more knowledge a man has who is adapted to the work of the law, the better lawyer he will make; and likewise the more knowledge that a man adapted to business organization and the conduct of a business has of the theory and science underlying business, the better business man he will make and the more likely he is to be successful.

The other way in which society protects itself is the indirect way, as illustrated in our public schools. Children are required to attend school up to a certain age. Some of the dullest do not get very much, but society insists that its citizens shall not injure other citizens or society as a whole through ignorance. It does not require that every citizen shall have a license showing that he has this education, but it offers the opportunity to all (for many years school attendance was not compulsory) and urges by public sentiment that all shall avail themselves of this opportunity as far as possible. It is not a requirement of the law that adds every year to the numbers in our colleges and high schools, but public sentiment.

Can we not organize such a public sentiment as shall demand that the study of economics shall be required of all students in our colleges, too; for this study in order to secure the greatest welfare in business is needed not only by business men, but by the laborer too and particularly by the labor leaders. The greatest possible protection that can come to the business of the next generation in the United States would be to make sure in some way that the laboring man and those in whom he puts his confidence shall be well grounded in the fundamentals of economics; but business men and leaders in business cannot demand that the laborer shall be better educated than they are.

Whether we insist, as many do, that no man shall be allowed to undertake the organization and conduct of a busi-

ness affecting the welfare of many others besides himself without having proved his competency and secured a license, or simply believe that such knowledge is desirable or necessary but that it should not be required by law, let us not criticize laborers and laboring men for their ignorance of fundamental economic principles while at the same time business leaders are equally ignorant.

Can we accept the statement that doctors, lawyers, teachers and others must be licensed and before receiving a license be obliged to prove they have a certain education that we have decided is essential before they are allowed to begin their work and at the same time argue that those responsible for the success of business enterprises involving the savings and welfare of hundreds or thousands of others should not be required to demonstrate a similar fitness?

If society is right in interfering in one case, why not in the other?

Whatever anyone may think of such an extreme position, can we not all agree to create a public sentiment that shall demand such an education for the business man who through his activities has the power to injure seriously many others?

Laws and licenses are of little value unless backed by public sentiment. The enforcement (?) in some parts of our glorious, law-abiding country of the fourteenth and eighteenth amendments to the Constitution demonstrate this conclusively.

Business men can see to it that economics are taught in our public schools and that the high school boy who knows all about the Punic Wars and that Hannibal had only one eye may also be taught so that he can reason intelligently about decreasing dad's wages, about hard times, open shop and closed shop, collective bargaining, nationalization, governmental regulation, socialism, Bolshevism, and other isms.

Let every business man convince himself that he has a license and a duty to encourage education in fundamental business principles for laborers and labor leaders, for business leaders and managers, and for the young people who are to direct business in the next few decades.

If we come to these conclusions in regard to laborers and business men, what shall we say of our law makers who by their acting or failing to act determine often times to a very great degree whether business shall be successful or not? Of course, if the study of business principles and economics is given to all pupils in our high schools and laborers and business men also, the law makers of the immediate future will be prepared for they will be chosen from the groups just mentioned.

# Toys, Moulders of Industrialists

*Various devices for play instruct the children in the fundamentals of great mechanical forces with which they must cope in their adult days and employ for the development of industry*

*Written especially for AMERICAN INDUSTRIES*

By W. OGDEN COLEMAN  
President, American Flyer Company

THERE never was a time when the education of the youth of the country was regarded with such serious attention as at present. The old formula that the basis of all learning should be the "three R's" has given way to a more modern conception which recognizes the fact that the development of the juvenile mind must be undertaken along practical lines that will fit the youth for a useful place in society.

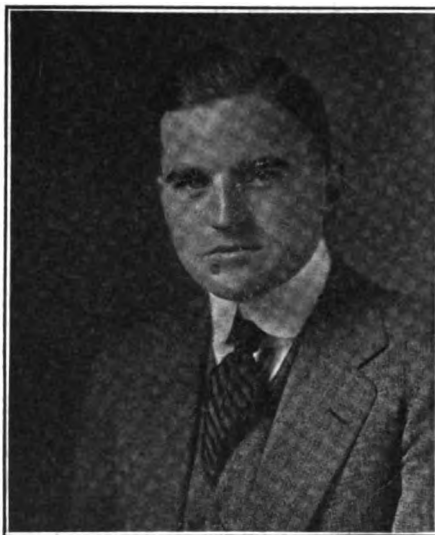
Kindergartens which combine instruction with amusement, manual training and other vocational schools are becoming the rule rather than the exception in our national educational systems. "Learning by practice," rather than by text books is now regarded as the formula to succeed the ones which our fathers followed in their difficult and sometimes very drab struggle through the mysteries of the "three R's."

Behind this radical change in our educational processes lies the usual history of development, both in ideas and in industrial progress. The curricula which met the needs of our fathers and grandfathers no longer suffices our own children, for they have been born in different times which make new and more complex demands on them.

We are an industrial nation. A generation ago the United States was a storehouse of raw materials and our broad acres and mines furnished the sinews which Europe manufactured into finished products for the world to buy. To-day, we still supply a large part of the world with raw materials, but we supply them with a larger share of manufactured products, and our great agricultural lands are dotted with industrial centers which produce forty per cent of the entire output of the world.

Our children are growing to manhood and womanhood to face an intense industrial era—a machine governed world—which will call to its aid the highest efficiency of science to achieve mass production at minimum costs. Prior to the war the United States was the supreme volume producer, making by machine and in mass

quantities what Europe, the only other industrial center, produced in units by hand production. The war changed that. It increased wages throughout the world, replaced to a large degree



W. Ogden Coleman

machine production for hand labor, and expanded output to a point where only keen competition and modern sales methods will provide adequate markets.

As a manufacturer of toys I am intensely interested in this new phase of the education of children along vocational lines. I believe that in this essential development of our systems of instruction the manufacturer of toys can be of great service, and at the same time can develop along profitable lines an industry which in the past six years has become an important one.

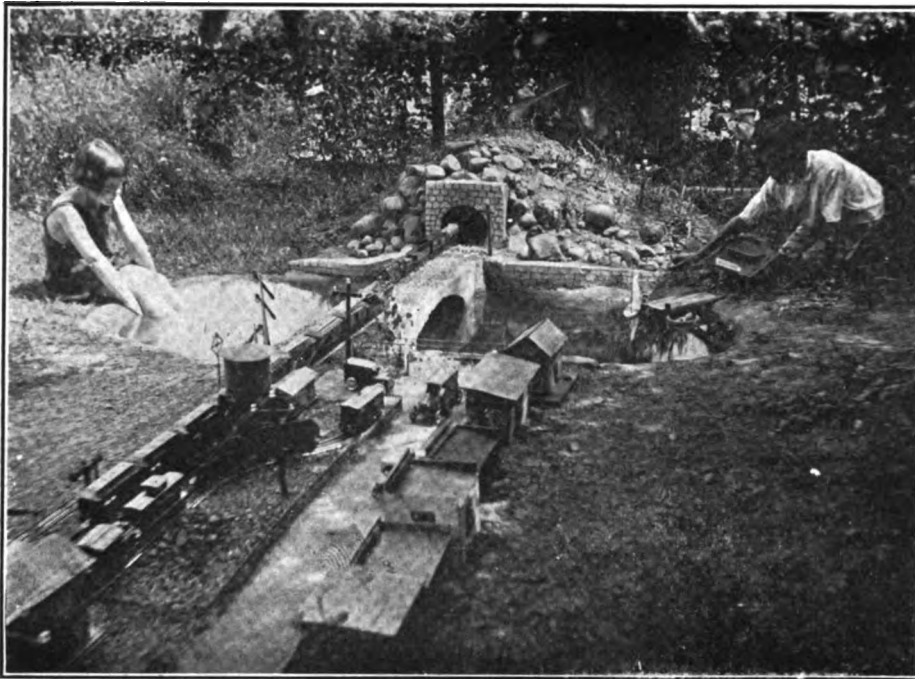
I have no desire to appeal for the "protection" of an American industry. It is true that the toy industry will require a degree of protection for several years if it is to overcome unfair competition by Germany, which through various governmental aids—practically amounting to subsidies—is able to undersell the domestic producer in this country. That protection need only be sufficient to equalize manufacturing costs here and abroad. What I

want to do is to point out how American toy manufacturers, understanding the psychology of the American child, can aid in his education through the production of toys which will instruct him in the fundamentals of the great mechanical forces with which he must cope in his adult days.

During the past two years I have endeavored to popularize toy trains—of which I am a manufacturer—along practical lines. They have been sold as Christmas toys for generations. I believed that they deserved a more important place in the lives of children, just as all mechanical toys do. Not that I expect all of the children who play with toy trains to go into the railroad business as a result of their early associations, or believe that every child who has a miniature aeroplane with which he beguiles his time, will eventually become an aviator. But these toys and other mechanical toys, representing as they do an actual picture of the world's scientific progress, aid in the development of the child's mind and open up to him new avenues of thought and speculation which stimulate his mental growth.

Mark Twain illustrated one of the fundamental characteristics of childhood in his famous incident of the whitewashing of the fence of Tom Sawyer. He transformed an arduous, dreary task into a game by the use of a little instinctive psychology, and to a degree that is the task of the toymaker. He must produce toys which amuse and instruct, and which hide their instructive phases under the attraction of play. Automatic toys, automobiles, trains, construction and carpenter outfits, miniature wireless installations, all play an important part in giving the child the rudiments of a practical education, which will develop in him whatever facility he may have for a particular profession or trade.

Educational institutions recognize the value of toys and are using them in greater diversity each year in the place of text books. For example the Carter Practice School in Chicago, having more than 1,400 pupils, uses mechanical devices of different types in its in-



With bridges, tunnels and all

struction courses. Toy trains are used to teach the fundamentals of railroad-ing, and of electrical engineering, as well as geography. The pupils have compiled a spelling book which embraces every article used in railroad-ing, both steam and electrical. They build and take apart the trains and the rails. They send passengers from one city to another and transport freight with routine bills of lading to and from different parts of the country.

The Department of Signalling, the largest school in the country engaged in training railroad signal engineers also uses toy trains, with semaphores and electric signalling devices. These students manufacture different parts of the signalling apparatus, learn repairing and equip miniature stations with electric lights.

Recently we have undertaken to develop what we believe represents a new and far-reaching field for the use of toy trains and other mechanical devices. It is the "backyard railroad." Here the child can give unlimited sway to his imagination in building bridges, tunnels, cities, farms and lakes. The railroad can be laid in the yard, or in any convenient place out of doors. Tunnels may be dug, mountains raised, roundhouses constructed and electrically operated semaphores built to guide the "free way" course of the train. Equipment consists of the ordinary toy train, toy bridge, or other erectors' toys, if the game is to be played elaborately, but some of the most remarkable and ingenious "back yard" railroads, which have been built by children in all parts of the country, have been constructed of old cigar boxes, bits of tin and chips of wood.

The children have laid double track rails, which pass through culverts, down steep grades, around curves, and over bridges of hard mud composition, or of wood and tin. Stations have been made of old cigar boxes, painted in bright colors, and in some instances, hung with little electric light bulbs. The ingenuity in construction of some of these railroads has been remarkable.

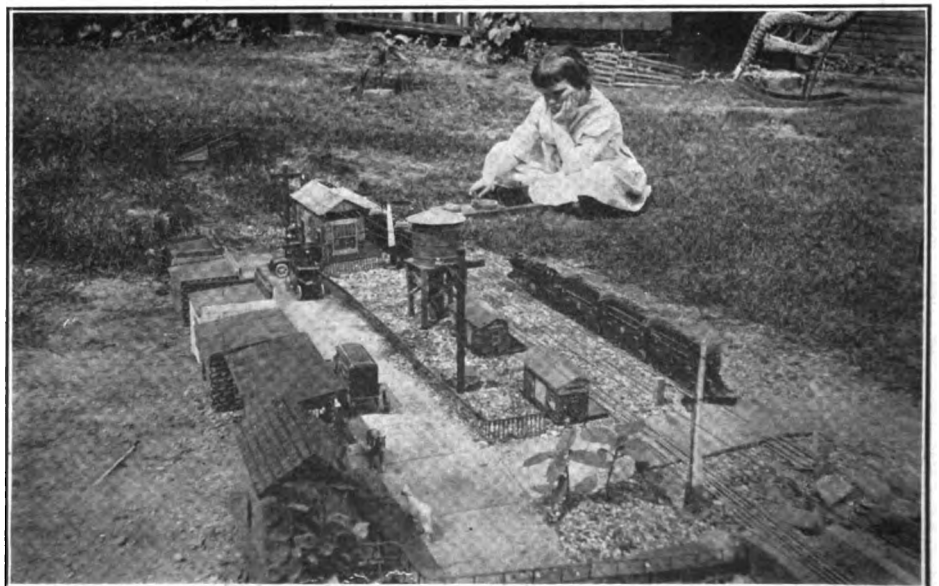
Now in citing this instance of railroad-ing in back yards, I want to emphasize by practical example what I believe is the future of American made toys. Wireless outfits, mechanical automobiles, construction toys and building sets, all have their definite place in the lives of children, and children should be taught to play with toys from

the time that they are able to toddle. If these toys possess an interest for them, it will teach them to concentrate, a faculty in which American children do not always excel.

Of course, education in all branches of science and industry is easier to obtain in this country than in any other, but it is interesting to remember that only nine per cent of all of the youth of the United States, attending school at the present time are in high schools or colleges. The other ninety-two per cent confine their learning to grade schools. Two-fifths of all the boys and girls between fourteen and sixteen years of age in the country are at work. They are getting their first experience in the game of life, but most of them are getting that experience as it comes, without direction, and in most cases without any definite purpose other than the immediate pay envelope.

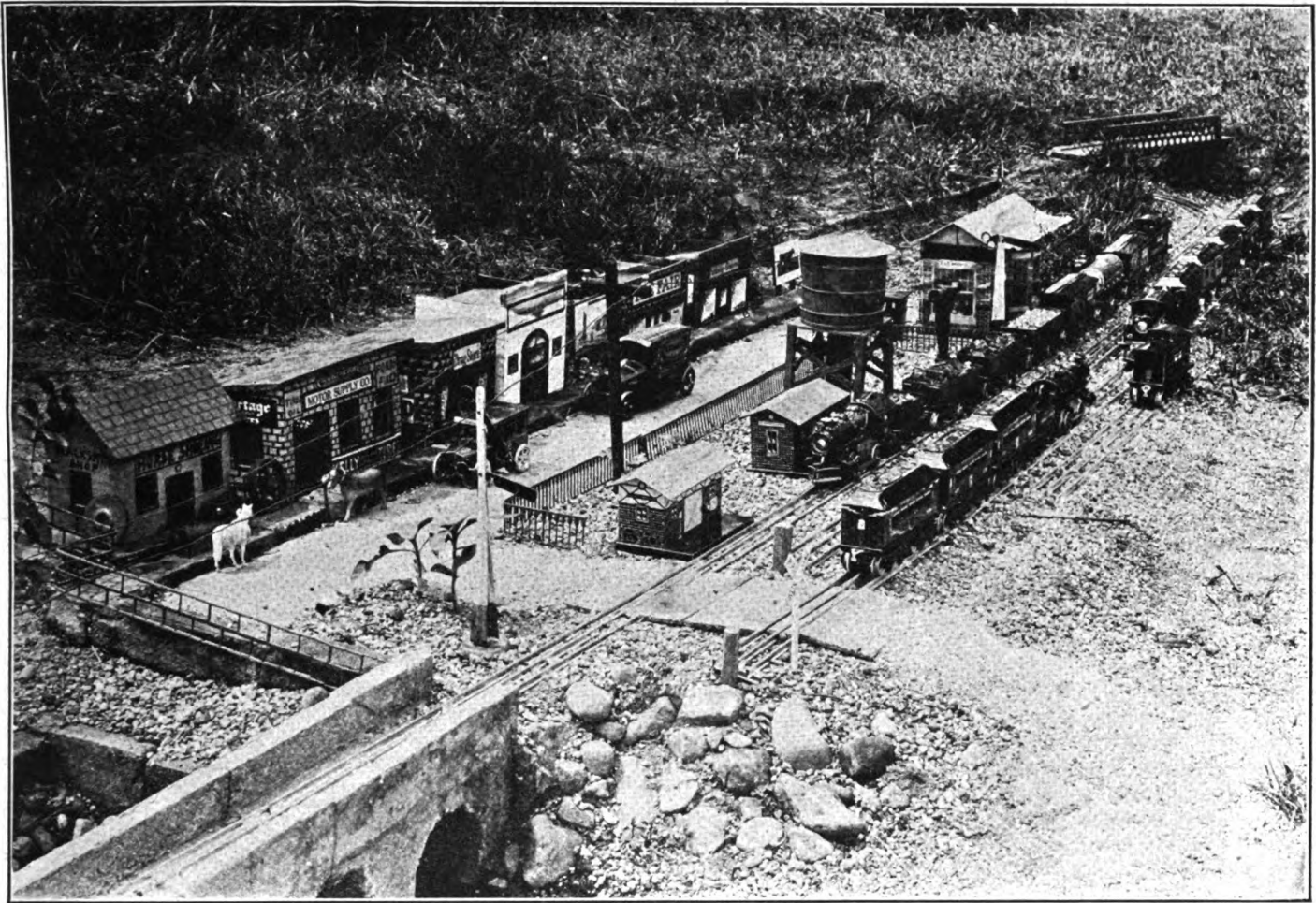
I don't think there is any question as to the value of well directed childhood play for this ninety-two per cent of our citizenship which does not go to high schools or to colleges. The boy who has learned to be vitally interested in his miniature electric light station or his building toys will have a fairly well defined idea as to what kind of work he would like to do, and when he finds it, it is work that he will do well, because it will interest him. In any event, such a boy will be more valuable than the one who has merely muddled his way through his childhood period finding recreation wherever it was most convenient—no matter how mischievous it might be.

From the purely domestic standpoint practical toys possess very desirable qualifications. They occupy children's time and keep them from running about the streets, or interfering with



Studying out a hard problem





A modern juvenile engineer's development

their elders' time and patience. They give them needed healthful exercise and stimulate competition between them. "Learning by doing" said an educator once, was the instruction which was of most practical value. It is to teach children to learn this way that American toys should be designed, and since they play such an important part in the lives of children, their designing should be carefully studied.

I mentioned in another paragraph of this article that I was not appealing for the "protection" of the toy industry, and I want to qualify that expression by stating that while toy manufacturers are not appealing for "protection" in its generally accepted term, they are asking Congress to adjust the abnormal advantages in exchange which now permits Germany to compete against us with eminently unfair advantages.

Toy manufacturers in most instances were prepared to meet German competition, for they knew that when the war was over they would have to meet it. They installed labor saving machinery, speeded up production, perfected sales and shipping methods, and in every way built up compact, economical organizations insuring low cost production and economical distribution.

What they failed to guard against—because protection was impossible—was the phenomenal decline in the international value of the German mark. Toys in Germany are valued in marks, the labor is paid in marks and the sales to exporters are made in marks. In Germany the mark is a real token of value. In the United States the mark, which is a currency based on paper entirely, has hardly any value in comparison to the dollar based on gold and the strength of the richest and most stable nation in the world. Therefore, when the mark which prior to 1914 had a value of .238 cents sells to-day for .0128, the American manufacturer selling any article competitive to Germany, hasn't much chance, unless the United States Government—assesses German imports on the normal value of the mark—that is, duties should be assessed on German imports at the par value of the mark, not at its present value of a little over one cent, or on the basis of the production cost in the United States.

A partial adjustment, fixing the value of the mark at even fifty per cent of their pre-war value (for the assessment of tariff duties), would aid the toy manufacturer. It would give him a chance in a manufacturing com-

petition in which at present all the cards are stacked against him. Such an arrangement would not inflate prices. Competition is too keen among American manufacturers. To-day with prices to importers sixty per cent lower than the American price to wholesalers, the sales to retailers of German made toys are barely thirty-three per cent cheaper than the prices of American made goods. This difference is further diminished in the retail price. So the net result of this German inundation unless controlled, will be to wipe out the American toy industry and permit the absolute control and exploitation by Germany of the American toy market.

Germany's ideals of good citizenship and of the proper education of the youth have not contributed greatly to the moral advancement of the world, as the recent terrible World War showed. If Germany is to make the toys by which our children are to be taught the practical things of life, there ought to be some guiding hand to dictate what those toys shall be. Or the American toy industry can be guarded during this abnormal period, until German currency has a semblance of real value, and the cost of her products represent reasonable cost on a dollar basis.

## *Bits of News About Men in Industry*

**S**ALARY reductions for ten executive officials of the United States Grain Growers, Inc., totaling \$29,700 a year, have been announced. The action followed a request by C. F. Gustafson, president; Frank M. Meyers, secretary; W. G. Eckhardt, treasurer, and Clifford Thorne, counsel, that their salaries be lowered to \$10,000 each. Salaries of other officials were reduced proportionately and the pay of directors cut from \$25 to \$20 a day.

Salaries authorized by the board of directors when the company was organized were: President, \$16,000; secretary, \$12,000; treasurer, \$15,000, and general counsel, \$15,000.

Community betterments and promotion of trade, business and building in Pennsylvania, along the Old York road will be given an impetus by the formation of the Old York Road Chamber of Commerce.

The chamber has chosen the following directors: William M. Holbert, Warrington; C. V. Brady, Willow Grove; Joseph Carr, Hartsville; William A. Craven, Noble; Frederick Sabin, Hatboro; Louis A. Nagle, Ogontz; S. Carl Garner, Hatboro; William T. Muldrew, Jenkintown; W. John Stevens, Wyncote; Raymond Ambler, Abington; Phineas P. Gheen, Horsham; Louis R. Dutton, Jenkintown; Howard Fleck, Jenkintown; Frank L. Woodring, Jenkintown; William P. Albrecht, Roy-Chester Park; W. H. Cogswell, Crestmont; Dr. Charles Cornelius, Crestmont; Arthur Shipton, Willow Grove; Edwin Lupton, Noble; William Cooper, Willow Grove; Dr. W. Howard Wilson, Roslyn. James Hunsberger, of Jenkintown, is the secretary.

During sessions of the American Ceramic Society at Sebring, Ohio, it was given out by Prof. Ross C. Purdy, of the Ohio State University, that a pottery institute is being arranged to be held in East Liverpool, at a date to be selected. The institute will continue several days. Lectures will be given by some of the most noted ceramists in the United States. The society has designed a new division; the membership to be composed of manu-

facturers' associations, and designed for scientific research.

The plant of the New Castle Rubber Co., New Castle, Pa., will commence operations within thirty days under the name of the Lehigh Tire and Rubber Co., according to announcement of H. W. Smith, treasurer. Frank Seiberling, former president of the Goodyear Tire and Rubber Co., of Akron, and associates are backing the new company. A force of workmen is putting the plant in shape. Production will be 500 tires and fifty tubes daily.

Improvement in steel buying will begin in September and continue through the fall and early winter, according to the predictions of J. A. Campbell, president of the Youngstown Sheet and Tube Co., and Severn P. Ker, proprietor of the Sharon Steel Hoop Co. The betterment will be slow but unceasing, they say. Railroads are expected to place some business, while the crop movement will cause farmers to buy on a fairly large scale.

"There is abundant need for finished steel and iron," Mr. Campbell said. "The advantage, whether enjoyed by buyer or seller, is usually driven too far. That is the underlying cause for stagnation in iron and steel at present. Prices are lower than they can remain, except as costs of production further decline. Consumers will soon come into the market with all the determination they have shown in remaining out of it."

Thomas F. Ryan, who recently went to Belgium, has become associated with Emile Francqui, a Belgian millionaire, in the organization of the Belgian-American Coke Ovens Corporation, which has a capital of \$10,000,000 preferred and 200,000 shares of non-par common stock.

Owner of Piette oven patents, Olivier Piette is a member of the board of directors. The Piette patents cover great improvements for the manufacture of coal by-products and carbonization appliances designed to provide great savings to either large or small fuel consumers.

It is in the saving of fuel costs that the improved coke oven of the Belgian-American corporation will make its greatest appeal to the public at large.

The American corporation will be supplied from Belgium with an organization of technical experts who have been trained in this industry for a number of years, and there will be added American engineers and executives.

G. A. Bowers, assistant manager of the Cleveland Garment Manufacturers' Association, has been appointed assistant director of industrial relations with the New York Employing Printers' Association. He has been in charge of market development in Cleveland for two years.

Members of the Carpenter Contractors' Association are hiring union and non-union men on individual contract to take the place of those locked out for refusal to work with union sheet metal workers who were doing metal trim work as ordered by the National Board of Jurisdictional Awards.

Official announcement has been made in Reading, Pa., of a \$9,000,000 hosiery merger by the William F. Taubel Co. and Scott Kitzmiller interests. They will have twenty-seven mills, four in Reading and the others in New Jersey and Virginia.

Clarence E. Taubel, of Riverside, N. J., is president and treasurer; Frank Y. Kitzmiller, Reading, Pa., vice-president and Thomas R. Scott, New York, secretary.

A Federal charter for the Continental National Bank, of Fort Worth, with \$750,000 capital, has been granted. The bank is a consolidation of the National Bank of Commerce and the Continental Bank and Trust Co. J. G. Wilkinson is president and Morgan Jones, chairman of the Board of Directors.

The first business show ever to be staged in New Orleans will be held October 3-8. The time is considered ripe, as there is a strong movement in favor of putting offices on the most scientific basis possible, and using the most modern systems and the latest mechanical devices.

Up to five years ago the offices of New Orleans were far below the efficiency basis of the offices in the East.

William Dunn has been named by the United States Department of Commerce as Commercial Attache at Lima, succeeding Daniel Waters. Mr. Dunn is now in Lima, where he has been organizing a school of commerce for the Peruvian Government.

Archibald J. Wolfe, of New York, has just been appointed Chief of the Division of Commercial Laws, of the Department of Commerce. Mr. Hoover, who made the appointment, saw the vital necessity for such a department immediately upon assuming office.

# Trucking On A Scientific Basis

*System of horse-drawn and motor-propelled wagons welded into a complete service, with the hay-burning tortoise equalling the work of the gas-burning hare where congestion limits performance*

*Written especially for AMERICAN INDUSTRIES*

By **ALFRED E. SMITH**

Chairman of the Board of Directors, United States Trucking Corporation

**I**F Julius Cæsar could have seen Napoleon's baggage train 1,800 years later he would have known it at once; same old horses, same old wagons, same endless dusty string of small loads. In spite of their cheap labor the ancient big cities had to stick by the water, their only easy road for moving goods. Over a hundred years ago Alexander Hamilton picked the Jersey meadows between Newark and New York for the site of the future American metropolis because there the sea-going ships could be put along one side of the factory or warehouse and the canal boats along the other. Hamilton died in 1804 before the railroads came. Railroads moving heavy freight wrote the business history of the United States. Beyond the reach of the railroads business became duller and costs higher.

We never had the hamals of Constantinople or coolies of China—muscular porters who can trot off under a dead-weight load of 500 pounds or so, but we did use carts, push carts, wheelbarrows, strings of small horses pulling small loads over bad highways. Boom times choked our business sections with a mess of slow vehicles. As the Southern planter said in 1899, looking on aghast at the confusion of New York's water

front streets, "Youah city, suh, seems 'way behind on its haulin'!"

Better methods were possible and our transportation organizers got the idea of weaving into a better-ordered whole the endless complexity of loads which they saw in the city streets. It took years to make the idea win but the war proved their point. New York's business weakness is its high terminal costs, the great expense of moving the goods from the railroad or ship to the factory, store or warehouse and from the loading platform back to ship or railroad. Competitive trucking with its small loads, idle equipment and congested traffic was

helping keep these costs up.

Progress must mean larger organization on the modern scale, modern corporate methods and bettered service. The old-style trucking was a personal affair. The old time truckman had his own few horses and wagons which stood on a certain corner. He took the orders at a hole-in-the-wall office, carried the papers in his hat, and hustled the loads about as his father had done before him. Make no mistake about it; he was on the job every minute fighting his competitors, working like a horse himself and giving the best service he knew. It was indeed a great triumph when

twenty-seven of the bigger of these outfits were finally induced to sell out to the new organization, the United States Trucking Corporation, the largest trucking company in the world.

The big company was put together during the rush of after-the-war trade in December - January, 1919-1920. Operations started January 12th and the next day it snowed heavily. There followed nine solid weeks of snow, slush and ice, trucks slithered along in knee-deep streets and took the bumps off ice-hummocks two feet high. As the railroads lay down in blockade the new company gave all its energy for several days to snow removal.



Former Governor Al Smith taking a turn at the reins

Three and four horses had to do the work of the one. The operating men got about in sleighs and on horseback to keep things moving.

As the roads cleared, a fleet of motors went up to Albany for Canadian paper to keep the metropolitan dailies in circulation. Other industries were served by fleet trips to Springfield, Philadelphia and Worcester. Meantime the shops for repairs, horse-shoeing and other maintenance work were put under forced draft; new departments for accounting, purchasing, legal matters, and new business, were organized and the enterprise began to assume form.

Then followed over nine weeks of human storms; strikes on the railroads, strikes on the docks and loading platforms and in warehouses. When freight did come it came in land-slides so that a driver might get

A real service and maintenance department has been built from the ground up. Starting with the horses, the first step was to weed out obsolete stables. The better barns were cleared of junk and fitted with stalls to capacity. Horses were no longer kept in their old groupings but were lined up, inspected, finger-prints taken, and sent to the barn nearest their work. Nig and Jinnie bit one another a fond farewell and found new partners, after years on the same pole. Stable skeletons were brought to light and sent to the bone yard—all the crib-biters, wind-suckers, kickers and shirt-eaters. One old hostler complained that none of his horses had any "character" any more, there was nothing to look out for around the stalls! Both his mules were gone.

Pets were reduced to the essential barn cats, in the belief that we could

business on earth than that of trucking. It is made up of rough men and moves in a rough and real world. The leaders are of all types from the kindly diplomat who hires only his own relatives, to the two-fisted stevedore who can pull any driver off his seat and beat the fear and desire of righteousness into him. Two things they have in common; absolute belief in themselves that no emergency can shake, and an astonishing capacity for plain hard work. To finish an emergency run of news print paper at two in the morning and to be on deck at the stables at 6:30 A. M. the same day is all in the job.

The rank and file personnel is mixed. There are old-time stablemen who know and love horses; there are old-time drivers who can keep three 1,900 pound "elephants" in the collar of an eight-ton load on a slippery



Twenty seven-and-a-half-ton dumpers

in line at three in the morning and wait until after lunch for his first load. Supplies got so scarce that hay went to \$70 and \$80 a ton and much stuff was called "hay" that never was hay before. Rather serious when you have over 2,000 horses to feed; they never strike at meal-time.

Worst of all, as strikes petered out business began to lag. The summer slump came and merged into the recent fall, winter and spring depression. These slack days were used in weeding out the used-up equipment. Broken-winded motors and rattle-boned trucks were discarded until the company was on a working basis of 200 cars and 1,200 trucks. Modern wheelwright and motor repair shops were set up to keep the wheels turning as well as central harness, blanket and cover shops for the horse-millinery. Practical working records were installed so that equipment of any sort could be moved, repaired, used or put into storage without loss and without confusion.

keep the horses well without boarding any goats to catch "the plague" first. This caused much shaking of heads but, so far, horse-health has not suffered. The wheelwright shop has a part bulldog on the payroll which is known to patrol the building all night and will meet you at any door or window you may enter by after hours. Pigeons, hens and ducks are not nearly as useful as that around a stable.

Collars, shoes, blankets and harness are tailored to the horse and each horse is picked and matched for his work. They are fed a scientific ration of real food and changes in weight are noted. All accidents are reported and treated at once. First aid kits for horses are kept in all stables and used under routine instructions. Medicines are kept in a central store and distributed on order. A \$400 horse can still junk himself in five minutes but our health service is fairly complete.

There is probably no more human

street; such men are the class in their field. Some chauffeurs love their cars; others pass the buck. One gets the notion that the men who work with horses, leather and wood are perhaps more settled to their trades than those who work with gasoline and motors.

The task of modern trucking is to get all these men (a good regiment of them in numbers) working in the best way. For horses, this means, daily inspection (but don't call it that!), feeding by measure and checking by inventory, and centralizing all purchases and supplies, the net result being that we now take the entire care of a horse for less money per day than the cost last year of his daily hay and oats. Prices have fallen, of course, but management has risen. For motors, the story is the same, though with different materials. With these things in order we come to operation or service which is the heart of the matter.

Trucks must be dispatched, as rail-





Notable example of skill in loading

way trains are, on schedules arranged and ordered the day before. The driver goes by his work tickets and these must check, roughly at least, with amounts billed. Branch offices handle the work originating in their own territory, are charged with the primary costs incurred for rigs furnished them, as well as with their own direct expenses, and are credited with revenues earned. Matters between zones are taken up in conference and argued out so as to settle the main lines of operation. The idea is to know what trucks and motors are in use, what they are doing, and that they keep at it through the day. Special needs (and failures) can then be dealt with as they arise because the lines of action and of responsibility are clear.

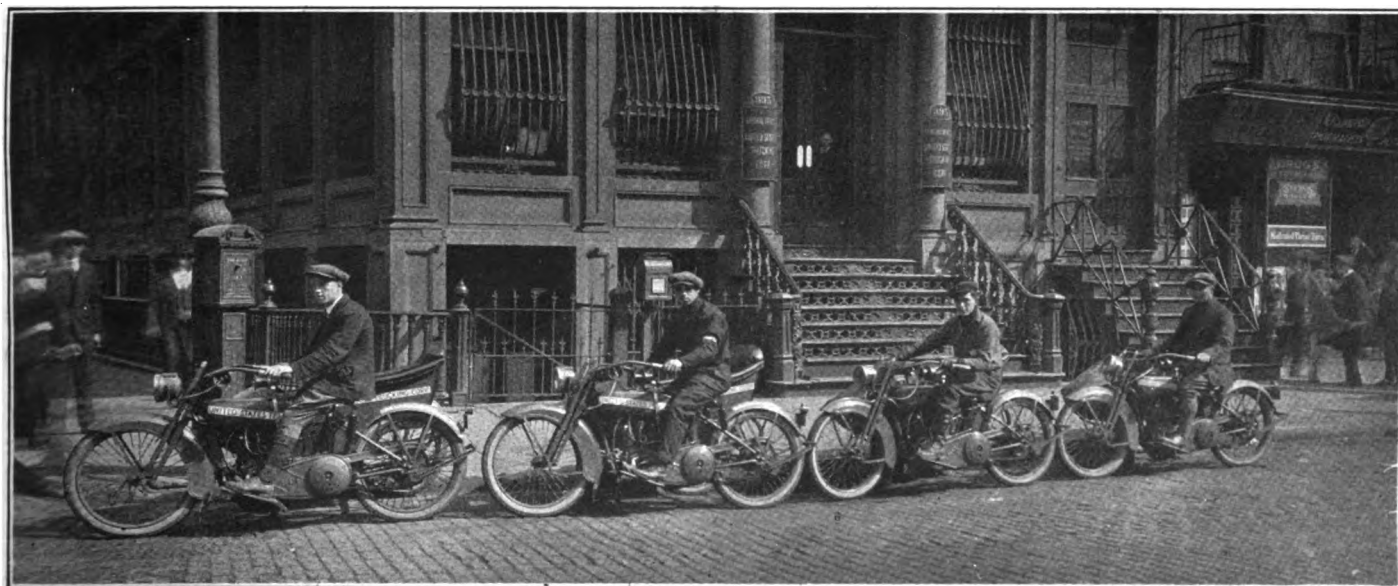
The field of commercial trucking is as various as the things you buy but

does not cover retail or store deliveries. The proper cargo is a train full of handy sized packages that make up neatly into six or nine-ton loads on a platform rack truck fourteen feet long by seven feet wide, and routed for some factory or warehouse that has a modern unloading platform. Cocoa beans, ginger root, cardamon seed, crude rubber, gold for the mint, circus animals, motor yachts, huge dynamos, steel beams, shoe trees, card board, coal, cigarettes, chimneys—the truckman rides it all. He does not haul, move, carry or convey, he “rides.”

The heavy stuff has to be “rigged” to get it on and off the trucks and into place, and one regrets not being able to charge admission when smuggling a forty-ton boiler into a building built to look at, or when setting up a steel chimney on a factory roof. The

men take chances and are good at it. A twelve-ton propeller was put on a five-ton motor truck and rushed to the Fore River ship yards, two hundred miles away, with one stop for gas and oil. A cargo of beef was finished early one Sunday morning by loading 30,565 pounds, proved weight, of steer, on a motor built to carry five and one-half tons, for an eight-mile run to the Bronx, the truck showing no bad results at that time. On the other hand, \$150 worth of bearings were burned out in taking some drugs up to Yonkers. Such is life.

This article may seem to have too much about horses to be up-to-date. A good motor truck can haul as much as two good horses (five to six tons) and has four or five times the speed and might very well cover seven to eight times the distance in a working day. But New York's narrow streets



“Route Riders” who check up on truck deliveries

have been fixed forever by its stiff and costly sky-scrappers and cluttered for years to come with underground wire trolley lines at \$300,000 per mile. Also, anybody is free to have a car. Traffic congestion in working hours brings the hay-burning tortoise up with the gas-burning hare, or ahead of him.

No team of horses could put 200 tons of coal into a building in one day, as a motor has and can, but, taking it by and large, a five-ton motor costs twice as much to operate per day as a five-ton wagon and conditions will not let the auto do twice as much

work. (Also, the motor investment is at least four times as great.) We have had this proved by men who were automobile fanatics. Motors have their right place on the open road and the free-running job, but horses will be making the best of our city streets for some time to come.

The answer on trucking, as we see it, is service by means of coöperation. Weld this last link firmly into the transportation chain so that goods will move by one continuous operation from point of origin to final destination. Let trucking agencies able to handle the work empty the contents

of railroad freight yards into the steamships, warehouses and factories which wait to receive them. The day of the single cart is over, along with the roof-top telephone and the single-track street car. Part loads, cross hauls, one-way loads and the like, are a wasteful use of the city streets and a needless burden on business. In all matters of equipment and of operating method we are keeping an open mind and trying hard to learn. New York City is entitled to the best trucking service that can be devised and we intend to furnish our full share of it.

## The Farmer As A Manufacturer

By EDITH M. MILLER

Statistician, National Bank of Commerce

In current *Commerce Monthly*

THE skilful corn belt farmer stands not in the traditional relation of agriculturist to banker, but in the relation of manufacturer to banker. Since the major portion of the American corn crop is marketed in the form of hogs and hence ultimately as pork products, he is not primarily the producer of a raw material, but the maker of a highly finished product.

A result of this clean-cut relation of the farmer to his banker, whereby he is a borrower on a short time basis and against self-liquidating assets, is the extension of the use of bank checks. This has reached proportions undreamed of by the dweller in large cities. This substitution of bank credit for cash in country communities is one of the great accomplishments of American banking.

The period of unusual agricultural prosperity which terminated with the price declines of 1920 afforded an opportunity for the entire corn belt to establish itself on the satisfactory financial basis of the older parts of the corn country. This in large measure it failed to do.

Failure to take advantage of a favorable situation was not through lack of desire to do so, but failure to understand how it could best be done. The great prosperity of the war years, the latter part of 1919 and the first five months of 1920, was quite as new an experience to many country bankers as it was to the farmers who were their customers.

Farmers and country bankers did not differ from other large sections of the business community in their lack of knowledge of how to take advantage of prosperity. The form of investment

they knew best was investment in land. Efforts on the part of farmers with extra capital to secure corn land which promised good profits because of high prices resulted in speculation in farm lands, which has left the country face to face with a farm mortgage problem which is now a vital factor in the entire problem of agricultural credits.

It is not yet clear as to how the farm mortgage situation is to be met, for the indebtedness incurred by the purchase of farms at inflated values must now be liquidated by the sale of farm products at prices practically identical with what they were before the war.

In areas where there are many mortgaged farms many bank loans will continue frozen until the mortgage loan market improves. The problem cannot be solved by efforts to maintain prices of farm products above the international market. Even if this could be done, it would be so detrimental to the entire economic position of the United States as to react on agriculture, with consequent failure to accomplish this desired end. Moreover, every attempt made since the war to support prices by artificial means has ended in disaster. The only possible solution appears to lie in mortgage renewals for long periods.

When farmers have learned the need of supplying a fair proportion of their own working capital, and not until then, can a recurrence of the present situation be avoided. The local banks are under the heavy obligation of helping them to recognize this necessity. If sufficient liquid capital is to be kept available, safe methods of short-time investment must be provided for these funds. The time certificate of deposit, to a certain extent, affords such a

method, and experienced farmers in many localities also buy to considerable amounts the notes of other farmers whose credit is known to them. There is much yet to be done, however, both as to providing adequate facilities for short-time investment and in educating farmers to their use.

Good long-time investments must be made readily available to farmers. They will thus gradually become familiar with other types of investment than farm lands and permanent improvements, while at the same time they will learn to eschew unsound enterprises. Farmers of the corn belt, because of the nature and conditions of their occupation, are primarily business men rather than tillers of the soil. When they come to a full realization of this, that region will not only be able to finance itself, but it will offer a potential investment market of great promise.

### EQUAL OPPORTUNITY IN AUSTRALIA

In a display of periodicals and trade literature which the Library of New South Wales featured some time ago, American publishers and American manufacturers were given the same opportunity of making display of their trade literature as was given to the publishers and manufacturers of the mother country. The aid of the National Association of Manufacturers was enlisted in this matter. In a report of the trustees of the Library recently received, this acknowledgment was made: Through the generous coöperation of the *Overseas Department of the British Board of Trade* and of the *National Association of Manufacturers*, New York, the collection of trade catalogues from England and America was of great value.

# Yankee Apartments For Belgium

*Commission comes to this country to study American devices for the saving of labor in houses of modern construction to be put up in the European cities for the housing of homeless thousands*

*Written especially for AMERICAN INDUSTRIES*

By M. QUINET

Member of the Belgian Mission of Architects and Engineers

LABOR and servant problems are having direct and strong influence on home building operations in Belgium to-day. They are causing many families to change their mode of living and these changes have, in turn, necessitated the introduction of types of residential places entirely new to our country.

Brussels always has been a city of separate homes. Before the war, our wealthy citizens maintained not only large private hotels within the city, but also spacious chateaux on their country estates. Such dwellings called for the employment of many servants, but now servants are so difficult to retain in service that the wealthy people have been forced to close their homes and live in hotels. There are not enough hotels in our country to answer all needs, and even though there were it would be impossible to find employees in sufficient number.

From such a situation arose the demand for apartments which would be large enough for comfortable family life and yet small enough to be kept in order by one servant, or by members of the families themselves. It was seen that the ideal apartments would be those equipped with community restaurants and fitted with all types of labor-saving devices. The decision to construct such apartments was a radical departure, and called for study by our architects and engineers. When the Credit General Hypothecaire et Mobilier of Belgium arranged to build a modern structure with one hundred apartments, there was only one thing for us to do, and that was come to America to get ideas, not only for the building itself, but for everything that would make it possible for tenants in the building to get along without the help of servants.

To give an illustration of the urgency of the situation in this regard it is only necessary to cite the case of elevators as an example. Members of our mission visited several large corporations known internationally as elevator manufacturers. Owing to the size of our contemplated apartment it will be essential to have what you call a battery of elevators, and the elevator

manufacturers showed us designs for these "ascenseurs," as we call them, which would require individual operators. To employ one person to do nothing but operate an elevator would be impossible for us. There would not be enough labor to go around at such rate. Therefore, it has been necessary to have special designs made for a series of elevators which can be under the control of one man sitting at a desk in the lobby of the apartment.

By such economies in man power do we expect to solve our living problems in Brussels. We were fortunate in finding a manufacturer here who will undertake to provide us with these special elevators. I understand that you in America can not use them in your apartment houses because of certain laws, but we must avail ourselves of them, and we are thankful to the genius who invented such electric control.

We have made a special study of your apartment houses and apartment hotels which are equipped with restaurant service—that is, which have dining halls on the main floor or in the basement, and also those which serve meals to separate apartments. I found in New York varying opinion on the suc-

cess of such arrangements. I believe New York people like very much to go away from their homes to eat, but Belgians prefer to eat in their own homes and for that reason I believe we will have success in installing such service.

Throughout our brief stay in the United States, that is to say, New York, we have looked everywhere for labor-saving devices, such as cleaning machines and appliances for lightening the labor of our housewives.

Everywhere we went we were naturally impressed by the high cost of the material we needed. Naturally, the present high rate of the dollar added greatly to our difficulties, and undoubtedly this exchange situation will have a deterrent effect on sales abroad of your American labor-saving devices until something occurs to better it. Nevertheless, there are certain things which we must have in Belgium if we are to proceed with our plans of providing homes for hundreds of families who cannot now maintain their old homes and country estates.

There is another element in our country which calls for the development of small, easily maintained apartments in Brussels—that element consists of business men in such cities as Liege, Charleroi, Antwerp, Ghent and others, who find it necessary to go to the capital for one or two days each week for business conferences. Belgium is such a small country that journeys are all short, and the industrial leaders gather for weekly meetings. These men prefer to stop in homes rather than in hotels, and there has been a demand recently for small apartments. By them such apartments as we propose to erect will be welcomed.

It is obvious that this new mode of living on the part of Belgian people will create a market for many apartment house accessories in which you Americans specialize. Belgium, of course, has taken much material from this country since the Armistice—material of a heavy nature. I am not prepared to speak on the present market for such material. I came only to study the question of apartment house equipment.

*M. QUINET is a technical engineer of Brussels who came to this country with Messrs. Winders and Puissant, architects, and M. L. Kaisin, Jr., of the Credit General Hypothecaire et Mobilier de Belgique, an important Belgian banking corporation, to study the American systems of erecting and equipping apartment houses and apartment hotels. The bank has decided to erect in the most aristocratic section of Brussels a large building with more than 100 apartments, and wanted first-hand information from the United States. M. Quinet, just before returning to Brussels, prepared this article for "American Industries" to explain the building needs of his country.*

# AMERICAN INDUSTRIES

D. M. EDWARDS, EDITOR

REGISTERED IN U. S. PATENT OFFICE  
TWENTY-FIRST YEAR OF PUBLICATION

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## THE MANUFACTURERS' MAGAZINE

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## HELPING THE RAILROADS

FROM every quarter comes praise of the action outlined by President Harding with regard to the railroads. When the Government took over the lines it promised to return them in equally good condition and immediately started in to operate them according to its own conception of railroading.

That the net results were very bad and disorganizing for business we all know. Equipment was scattered, great expenditures were made for impractical extensions and "improvements" which did not improve, efficiency generally went to the dogs and the boast of the railroad administration that it would make travelling as uncomfortable as possible for the public was carried out to the letter. Added to this, wages were advanced to an unheard-of degree and thousands of persons were employed whose services might easily have been dispensed with.

It is hardly an exaggeration to say that when the Government returned the railroads the properties were badly run down and seriously handicapped financially. The transportation act

sought to give relief by providing for the roads a level of rates which insured a fair return on their real property value. But the depression which overtook the whole world brought so sharp a reduction in the movement of freight as to nullify the intention of Congress. The railroads have introduced economies but have not been able to carry on the much-needed repairs and improvements. The railroad administration meanwhile owes great sums to the roads, but does not pay.

Railroad transportation has been the backbone of industry and commerce of this country and until they receive assistance from some source, American industries, as President Harding clearly brings out, will be seriously crippled for many months to come.

## THE AIRPLANE MAIL SERVICE

VERY few persons will be at all disappointed in the announcement that the air mail service between New York and Washington is to be discontinued; or if the air mail service between any other two points comes to the same end. The New York-Washington service has been costing about \$240,000 a year and has been losing a great deal of money, and yet this is probably the most favorable route that could be devised for air mail service.

As a matter of actual business good, the air mail service has not proved its worth. It has not proved its necessity; and there was always a doubt whether the business man ever wanted it or found real use for it. In the early stages of the experiment—when the best of service probably was given—letter sent by the usual two-cent post and by airplane mail, had far different experiences. The two-cent mail was quicker from point of posting to the point of delivery, by from six to twenty-four hours. Once on the way, naturally, the airplane mail travelled faster—that is if all went well. But the time lost in getting letters from the post office to the airplane starting point, and from the point of landing of the airplane to the destination of the letter, more than approximated the time of the flight.

The air mail service seems to have been more of a toy than anything else, and in view of the enormous cost, a marked tendency to curtail the service or stop it entirely will be fully in keeping with the policy of national, sane economy.

## THE AIR ROCKET TO MARS

THE 1921 Aircraft Year Book, which has just made its appearance, contains a very interesting thought for the future of the airplane industry. The book gives a very graphic description of the altitude record flight made by Major Rudolph W. Schroeder, in February, 1920, when the army test pilot reached a height of 33,114 feet, the highest point ever attained by man. Major Schroeder was almost frozen stiff and had a miraculous escape from death, but when he landed he said if he ever has the opportunity, he would go up in a glass-enclosed, sealed, cabined airplane, amply fueled and with plenty of oxygen, to fly to the roof of the world.

This may be the rocket that will eventually get to Mars.

Major Schroeder encountered winds varying in velocity from 225 to 300 miles an hour, according to his instruments; but apparently the only thing that kept him from going further was the failure of his oxygen tanks.

## CUTTING WAGES \$400,000,000

ONE step toward revivifying the railroads was taken by the United States Railroad Labor Board determining on an average reduction of twelve per cent in the wages of various classes of employes on 104 railroads, which will take \$400,000,000 a year off the payrolls of the roads. The reduction becomes effective on July 1, when the national working agreements will be abrogated.

Men classed as engine service employes will suffer the greatest reduction; but when other cuts are considered, it does not look as if there is any imposition on a very severe scale. Freight engineers, motormen, firemen and helpers will find their pay envelopes trimmed at the rate of sixty-four cents a day. Passenger engineers and



firemen will find their envelopes only forty-eight cents a day shorter. It is fair to state that the average in the cost of living has dropped more than sixty-four cents a day in each of these grades, as it has in practically all lines of public living. While the ruling affects only 104 roads, it eventually will be extended to every line in the country, as hearings on the requests of one hundred other roads, will start early this month.

Some of the railway executives express disappointment because the finding did not wipe off last year's increases entirely. But, it is pointed out, the carriers have said a saving of \$300,000,000 a year might be accomplished by the abrogation of the national working agreements, and this added to the potential \$400,000,000 totals \$700,000,000 a year which it is believed will go a long way toward putting the transportation system back on its wheels.

#### GERMANY AND DYES

**HENRY HOWARD**, chairman of the Executive Committee of the Association of Manufacturing Chemists of the United States, told the Senate Finance Committee:

"A continuous and systematic attack on the American chemical market from foreign nations, particularly Germany, is impending."

This has been steadily coming and the American dye manufacturers, who built up such a splendid line of dyes to fill the gap caused by the war, must now concentrate for the protection of a comparatively young, emergency-born, complete industry.

#### GET YOUR PASSPORTS

**TRAVELLERS** going to Europe this summer should disabuse their minds of any belief that they do not need passports, if they have formed any such view from the statement made by the State Department on April 4, that passports would no longer be required of Americans leaving the United States. It is true that the passport control act has been terminated and that Americans do not need passports to get out of the United States.

### THE ASSOCIATION IN NEW QUARTERS

The National Association of Manufacturers is now in new quarters at No. 50 Church Street, New York City.

But it should be made very clear that Americans do need passports to get into European countries, and the man or woman who goes abroad without his proper paper, will find very hard sledding and no end of inconvenience. Previous to the war, two countries were not so particular about American passports—Great Britain and France. But to-day even these countries are very cautious and it is not only necessary to have a passport if one is going to the British Isles, but this passport must be visaed at a British consulate in this country before the passenger sails. All European countries require travellers to possess passports properly visaed, with the exception of Belgium, which requires passports but does not require a visa.

#### TAXATION FAIRNESS

**G**RADUALLY complete fairness seems to be appearing in the efforts of Washington authorities to revise the taxes so that the heaviest burdens will fall where they should be least felt.

Newest tax levies proposed to the House Ways and Means Committee by Secretary of the Treasury Mellon, include:

1. A flat Federal license tax of \$10 on all automobiles.
2. A two-cent stamp tax on all bank checks.
3. A three-cent rate on first-class mail matter in place of the present two-cent postage.
4. Increase of the tobacco taxes so that \$100,000,000 a year additional will be obtained.
5. Repeal of the excess profits tax, with increase from 10 to 15 per cent in the flat corporation income tax as a part substitute.
6. Repeal of the soda water and ice

cream levies and a few other so-called "nuisance" taxes.

7. Reduction of the transportation taxes by half during the present year, to be followed by their entire repeal next year.

8. Reduction of the surtax rates all along the line, so that the maximum will be 40 per cent instead of 73 per cent as at present on the highest incomes.

Of these, we believe a great majority of the people will be in favor of the first, second, third, fifth, sixth and eighth, if not of all. A flat Federal license on all automobiles will produce something like \$50,000,000 a year and this revenue will come from a source which can well afford to pay the \$10 a year for the luxury of the automobile. For the automobile still is by far and large a luxury. This type of tax might have a very valuable effect in curtailing to some extent the almost too general use of the automobile as a means only of transportation to and from business, the cars being left in the streets all day long, unoccupied, a detriment to business and a blockade to traffic. We believe, in all fairness, a corresponding tax should be imposed on all horse-drawn vehicles—perhaps a levy of \$3 or \$5 a year.

The two-cent check tax was not felt by anyone during the war and a three-cent postal rate would be one of the most effective methods of obtaining a prompt and large volume of revenue without any undue drain on the public. Repeal of the excess profits tax is bound to come as well as is that upon soda water, candy and the like. The latter class has been one of the most pernicious, as its collection has been an impossibility and an absurd imposition upon the public from its inception.

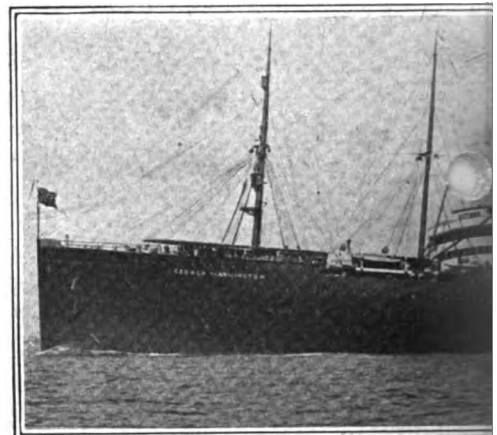
#### A MUCH NEEDED BUREAU

**E**STABLISHMENT by Herbert Hoover, Secretary of Commerce, of a Division of Commercial Laws, within his department, will meet a need and demand that have been prevalent for many years. It is another instance that the new secretary is endeavoring to completely organize his department for a thorough commercial service to the nation.

# United States Ship



Dining Salon, S. S. Old North State



S. S. George Washington, palatial passenger ship, New York

## SERVICES To All Parts of the World

### EUROPE

Aberdeen, Leith, Dundee  
Antwerp, Ghent, Hamburg,  
Rotterdam  
Barcelona, Genoa, Naples,  
Venice  
Belfast, Dublin  
Bilbao, Oporto, Lisbon  
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Danzig  
Bremen, Hamburg  
Bristol, Manchester  
Christiania, Copenhagen  
Constantinople, Varna,  
Bourgas, Constanza,  
other Black Sea Ports  
Copenhagen, Gothenburg,  
Stockholm, Reval  
Cork, Dublin, Belfast  
Dunkirk, Rotterdam  
French Atlantic Ports  
Genoa, Naples, Savona  
Gibraltar, Tunis  
Glasgow, Avonmouth  
Gothenburg, Malmo  
Greek, Turkish Ports  
Havre, St. Nazaire  
Hull  
Lisbon, Oporto, Vigo  
Liverpool  
Avonmouth  
Bristol  
Boulogne  
London, Liverpool  
Manchester  
Piraeus, Patras, Salonica  
Ragusa, Venice, Bari,  
Ancona  
Rotterdam, Antwerp  
Scandinavian Ports  
Scandinavian and Baltic  
Ports  
Spain, Portugal

### SOUTH AMERICA

Bahia, Rio de Janeiro  
Brazil and Plata  
Buenos Ayres, Montevideo,  
Pernambuco, Santos  
Chile-Iquique, Antofagasta  
Ecuador, Peru, Chile  
West Coast

### CUBA AND MEXICO

Kingston, Matanzas, Neu-  
vitas, Cardenas  
North Side  
South Side  
Tampico, Mexico

### ISLANDS OF ATLANTIC, WEST INDIES AND CARIBBEAN SEA

Jamaica, Haiti  
Sanchez de Macoris, Santo  
Domingo, D. R.  
Pointe a Pitre  
Porto Rico  
San Juan, Ponce  
Trinidad, Demerara

### CHINA JAPAN, PHILIP- PINES AND STRAITS SETTLEMENTS

Manila, Iloilo  
Yokohama, Kobe, Shang-  
hai, Hongkong, Dairen,  
Tientsin  
New Zealand and Austra-  
lian Ports

### INDIA AND DUTCH EAST INDIES

Aden, Alexandria  
Rangoon, Calcutta, Bombay  
Karachi Colombo  
Penang, Belawan, Delhi,  
Port Swettenham, Sing-  
apore

### AFRICA

Canary Islands  
North Africa, Malta, Egypt,  
Levant, Red Sea Ports,  
Madeira, Morocco  
South and East Africa  
West Coast

SEVENTY-FIVE years ago, the s-  
ices of America's Merchant Ma-  
more than the vessel's worth as a  
the iron steamship to supplant the mor-  
clipper ship, and America lost her su-

To-day the United States is once more a  
modern passenger and freight vessels, 80 per cent

## The Fleet Number With a Tonnage Ex

The freight vessels represent the combining  
architects and shipbuilders of the country. The  
established, privately-owned shipping concern  
Shipping Board.

The passenger vessels of the American  
comfort and luxury on the seas. They have a  
officers and crew who have been carefully trained  
United States Government.

Practically all of the passenger vessels are  
of berths. There are palatial lounges, gym-  
appointed dining salons. The cuisine represents  
by the best hotels.

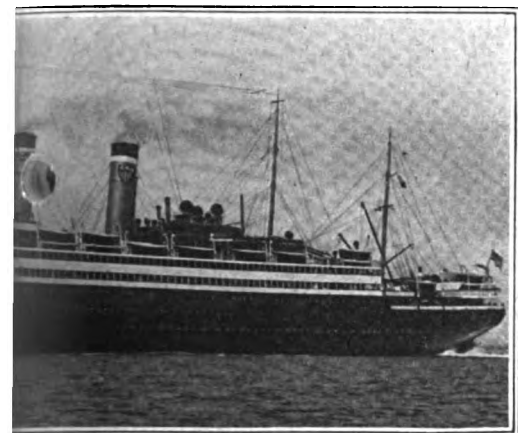
The sanitary arrangements are of the most modern  
as the care of a carefully selected staff can make

## THE UNITED STATES

An American

WASHINGTON

# ing Board Services



First Cabin, S. S. Panhandle State

of the United States Mail Steamship Company;  
Bremen

pers of the world competed for the serv-  
e, and British merchants at times paid  
arter price for one round trip. Then came  
autiful and romantic, but less serviceable  
nacy of the seas.

at maritime power with a vast fleet of speedy,  
f which are oil burning.

**rs 1,567 Vessels**

**ing 15,000,000 Tons**

ert efforts of the foremost marine engineers,  
are safe, speedy, and adequately operated by well  
der charters granted them by the United States

at Marine represent a decided advance in safety,  
hness, stability and speed, and are manned by  
y expert instructors under the supervision of the

driven. Many cabins contain single beds instead  
ms, spacious promenade decks and beautifully  
e perfection in service and foods usually attained

modern, and the food and service are as perfect  
em.

## SHIPPING BOARD

ment Institution

ON, D. C.

## AMERICAN SHIPS For Your Ocean Voyage

New Combination Passenger and  
Freight Ships

**FAST, LUXURIOUS STEAMERS**

Key number beside ship's name indicates operator  
shown bottom of column.

EUROPE	FAR EAST
Plymouth, Boulogne and London From New York August 16, September 20, Old North State (159).	Honolulu, Yokohama, Kobe, Shanghai, Manila, Hong- kong. From San Francisco August 20, Golden State (105).
Bremen and Danzig From New York August 30, Hudson (159). August 23, October 3, Princess Matoika (159). August 23, September 22, Potomac (159).	Yokohama, Kobe, Shanghai, Hongkong, Manila. From Seattle August 27, November 5, Wenatchee (106). October 8, Keystone State (106). September 17 November 26, Silver State (106).
Naples and Genoa From New York Middle July, Pocahontas (159).	<b>HAWAII, PHILIPPINES EAST INDIA</b>
Plymouth Cherbourg and Bremen From New York August 27, September 28, America (159). August 3, September 3, George Washington (159).	Honolulu, Manila, Saigon, Singapore, Colombo, Calcutta. From San Francisco August 13—Creole State (105). September 14, Wolverine State (105).
<b>SOUTH AMERICA</b>	<b>COASTWISE AND HAWAII</b>
Rio de Janeiro, Montevideo and Buenos Aires From New York August 3, Huron (91). August 17, Aeolus (91). August 31, Southern Cross (91).	Havana, Canal, Los An- geles, San Francisco and Hawaiian Islands From Baltimore September 3, Hawkeye State (80).

80 Matson Navigation Co.  
120 Market Street, San Francisco, Cal.  
26 South Gay Street, Baltimore, Md.  
91 Munson Steamship Line.  
67 Wall Street, N. Y. Tel. Bowling Green 3300.  
105 Pacific Mail S. S. Co.  
10 Hanover Sq. N. Y. Tel. Bowling Green 4630.  
621 Market Street, San Francisco, Cal.  
106 The Admiral Line.  
17 State Street, N. Y. Tel. Bowling Green 5625.  
L. C. Smith Bldg., Seattle, Wash.  
159 U. S. Mail S. S. Co., Inc.  
45 Broadway, New York. Tel. Whitehall 1200.

# Store-Door Delivery A Reality

*Container car system is proving a very effective method of handling freight in less-than-carload lots on the trains of the New York Central between two of the important distributing terminals of its system*

A COMPREHENSIVE and entirely new system of handling freight in less-than-carload lots, as well as express matter, on railroads, motor trucks and electric railways—involving radical improvements upon present methods and far-reaching effects upon transportation service and general business—has been very quietly put into operation on the main line trains of the New York Central between New York and Chicago.

Its initial success and probable early extension by railroads promise a veritable revolution in time-honored transportation methods and service, bringing to realization the long-sought "store-door delivery" of freight through the complete coördination of the three factors in transportation—the steam railroads, motor truck and electric railways. The system contemplates a greater measure of transportation service as well as a great economic saving.

The new system provides "compartment" service for freight and express by means of specially devised "containers" and "container cars," which in effect gives to shippers the use of individual traveling safe-deposit vaults of various standard, interchangeable sizes which are carried locked and intact from the door of the sender clear to the door of the receiver of freight. The "containers" or huge steel boxes, are readily removable from the car body and are packed and locked at the factory of the shipper, carried by motor truck or electric car to the railroad and hoisted aboard the car, and at destination are carried by truck to the store-door of the consignee, where they are unlocked and unloaded at convenience.

Goods may be stowed in the "containers" in cardboard or even paper wrappings, without need for costly wooden boxes or crates, and the shipment travels untouched to the door or platform where the packages may be unloaded directly onto shelves. Numerous handlings and rehandlings—from factory to truck, from truck to freight station or warehouse, and by hand-truck from platform into box-car—are eliminated completely, as well as repeated tallying and checking for accounting at each step in the process of handling the packages separately at

both origin and destination. This eliminates the services of a small army of truckers and clerks, but what is accounted to be a still greater saving in transportation cost is the removal of the principal causes of the tremendous losses due to damage and theft of goods in transit.

Loss and damage of freight has grown in recent years into one of the heaviest "leaks" in the transportation industry, and strenuous campaigns that have included maintenance of extensive police and supervisory forces, together with educational campaigns among shippers and railroad employees to secure stronger packing, more careful handling and suppression of theft, have failed to stop this economic waste. The proportions of this transportation problem is shown by the fact that in the year 1914 the American railroads paid out in claims for loss and damage of freight \$33,000,000 and for the year 1920 this amounted to a total of \$125,000,000, the incidental injury to business affected being considerable additional.

But the savings effected by the new system in loss and damage of freight prevented, in wages paid for labor eliminated and in boxing and crating of individual small shipments are expected to be exceeded in amount by the greater use of moving equipment—railroad cars, trucks and drays—as well as of freight-terminal facilities, whose limits of capacity in periods of heavy demands for transportation have restricted the size of the "peak-load" and adversely affected commerce. "Car shortage" and shortage of terminal facilities, especially in the large cities where ground space for expansion of trackage in yards, of platforms and freight-houses is not obtainable, have been baffling obstacles to any great increase of the maximum tonnage capacity at times when great business activity called for transportation far greater than the normal supply.

To increase the service rendered by every car through constant movement, and prevent congestion at terminals by prompt removal of goods, has been the effort of the railroads, this calling for quicker loading and unloading of freight on cars, to reduce the time of their detention on the limited and

over-crowded tracks at terminals, as well as the speeding up of local hauling to and from the freight houses and platforms. High demurrage charges have not availed to prevent the delays of cars beyond the reasonable free time allowed for unloading, and in some instances derelict shippers have practically used freight cars at busy points for storage purposes, tying up rolling stock and track space needed by other shipments, and causing congestion which clogged the free flow of traffic.

The new "container car" system attacks both these prime railroad problems, aiming to get more service out of each unit of facilities—car, freight station and trackage—by "keeping every wheel rolling."

The "container cars," by hoisting of the compartments to and from the railroad cars and trucks, can be loaded and unloaded in a fraction of the time required for hand-truckers to fill or empty a box car of miscellaneous articles at a platform. The processes of stowing and removing the container's cargo is transferred to the factory or store of the consignor and consignee, where it may be done at convenience without keeping a freight car standing still or occupying space in idleness in a yard where every foot of track and platform is valuable and should be used to the utmost. Moreover, the containers may be swung between car and motor truck by cranes placed at any point where either motor truck or electric car can come alongside the railroad tracks.

In the service trips of the "container cars" already made between New York and Chicago and between Cleveland and Chicago on the New York Central the containers were transferred between railroad car and motor truck in from thirty seconds to two minutes, although no specially equipped cranes have yet been provided. Thus a "container car" may be unloaded, reloaded and ready to be on its way in train within a matter of a few minutes.

The "speeding up" of the service capacity of each unit by use of the "container car system" is thought to hold most far-reaching possibilities in the railroad service of the future, as well as in the coördinated use of the motor truck and the electric railway.



# To Study Industry In Four Phases

*Governor Sproul of Pennsylvania authorizes calling conference that will discuss co-operation from the viewpoint of the employer, the employe, the public as well as the state and government*

*Written especially for AMERICAN INDUSTRIES*

**By DR. CLIFFORD B. CONNELLEY**

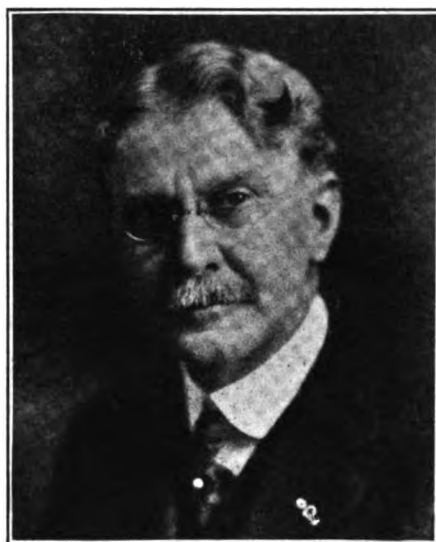
**Commissioner, Department of Labor and Industry, Commonwealth of Pennsylvania**

**T**HE scope of industrial relations has reached the point where an intensive study of the entire problem will be of considerable importance. In order to crystallize the efforts put forth by industrial, commercial, engineering, governmental, civic, educational and religious bodies, working for the most part independent of one another.

Governor William Cameron Sproul, Commonwealth of Pennsylvania, has authorized the calling together of an Industrial Relations Conference, to be held in Harrisburg, Penna., October 24-27, 1921. The speakers are to be prominent leaders representing all interests concerned. The general subjects to be discussed will be Industrial Waste, Industrial Coöperation, Industrial Publicity, Industrial Education, Women and Children in Industry, and Medical Supervision of Industry.

The stir that has been caused by the publication of the report of the committee of the American Engineering Council on the elimination of waste in industry is valuable chiefly because of the focusing of attention upon the "evils of industry," which, of course, are more or less known. No person can doubt that our failure to solve unemployment, labor turnover, industrial disputes, duplication of effort, and the like, is due to lack of coöperation. More progress has been made in the prevention of accidents and sickness in industry than in all the other forms of industrial waste, because of the awakening of the universal conscience in the matter. This is being done by making "safety" a part of one's character. It is taught in the schools, practiced in the homes, preached from the pulpits, discussed in community centers, safety councils are organized, and is the means of earning a livelihood for the safety engineer, the manufacturer and the dealer in safety appliances. An industrial plant, worthy of the name, without a safety organization is almost unknown. It is true that it has taken about a score of years to reach the present development of the safety idea. It may take as long, or longer, to get as far in the matter of correcting unemployment, in-

dustrial disputes and labor turnover, but we can never expect to get anywhere unless the attack is made along somewhat the same lines. It is with this idea in mind that "Industrial



**Dr. Clifford B. Connelley**

Waste" is given the most prominent place in connection with the coming conference.

Too long have we considered industrial relations without including all the factors. It has been fairly well conceded that the public has a place in the deciding of issues between the employer and the employe. It has been difficult at times to define the public, and still more so, to select persons of the proper poise and ability to represent the public adequately in the more or less technical disputes that have been common in the field of industry. But notwithstanding this it is no longer "The public be damned"; rather it is "The public be served."

The factor that has been most often excluded from participation in better industrial relations is the state or government. It is a striking fact that men, while they have a wholesome respect for law, have little confidence in the law enforcement officials. There is a reason for this, but it is imperative now that the industrial world, in particular, realize that good laws in the hands of inefficient or bad officials

is perhaps worse than mediocre labor laws in the hands of competent and efficient officials. We can only get the right type of officials, however, when the employer and employe and the public recognize the need and then insist that the state or government be represented on all bodies, at all conferences, and in all matters where industrial relations are involved. In other words there are four factors that make for industrial coöperation—the employer, the employe, the public, and the state or government. The problem of industrial coöperation will be discussed from these four angles at the conference.

The searchlight of publicity has done its part in bringing about a better understanding in industrial life. There is, however, too much distrust of the press by a great many people. It is true, that the press has not always maintained an entirely unselfish attitude on industrial questions, but it has never been very difficult to ascertain the policy of a publication. The varying viewpoints render a fuller understanding in the issue involved. We are too prone to read only those publications which match our own thoughts. We need to face the honest difference of opinion on the part of a newspaper as well as of persons. If we knew more of what constitutes a "story" involving industrial interests we would perhaps be a little more intelligent and illuminating in our interviews with reporters, and more tolerant of what appears sometimes as a mis-statement of our views. The daily newspaper molds industrial opinion in so far as we permit it.

Another type of publication which has a far-reaching influence on account of its direct bearing upon the shop, the factory, and the office, is the "works or plant organ." It promotes better understanding among the employes themselves as well as between the management and the employes. It is a hopeful sign for the future of such publications that a movement is now on foot to improve the editing of such papers, by getting together the editors to study more carefully what constitutes plant news.

Industrial, technical and trade magazines are, after all, the real makers of industrial opinion. No employer or employee can afford to be without the publication which covers his trade or field. It is almost equally as important to be a regular reader of a magazine which covers the general field of industry. It would be helpful for the employer to read perhaps a little more sympathetically the labor organization organ and vice versa.

The conference will devote one full session to the matter of industrial publicity. Speakers will be chosen to set forth the part that the press plays in industrial relations, and to point out how the relation can be improved by a more intelligent reading of current movements in industry.

To one who has devoted the greater part of his life in advocating industrial education, in organizing such training in the schools and shops, and in serving as teacher and directing head of such institutions, there is no belittling of the part that "training for the job" has to do in furthering industrial relations. There is no more interesting story in the literature of American education than that which tells of the rise and growth of industrial education. There remains much to be done in the way of training teachers with the proper industrial vision, by educating the youth for industry rather than away from it, and by giving the schools the backing of manufacturing and trade organizations.

We have learned that industrial education is not class education, as was urged against it not so many years ago. It is possible now to complete a well rounded industrial training that begins in the elementary school, continues through the high school and leads to a degree in a recognized university or institution of higher learning. The plant school in training its own employees, and corporation schools, specializing in foreman training, have also made great strides. The Labor Union College is a development that is gaining headway. The most recent experiment in specialized industrial schooling is the summer school for women workers in industry, now in operation at Bryn Mawr College.

The entire field of industrial education will be discussed at the conference with emphasis upon its bearing on industrial relations.

The entrance of women into politics will doubtless affect the labor laws of the country as far as women and children are concerned. Child labor is already beginning to see the "hand writing on the wall." Woman's labor laws will be woman-made and not only woman-lobbied as heretofore, and there will be no lowering of standards.

There will be a different kind of discussion in our open forums on this subject. Men and women will discuss the issues in a more friendly spirit and it will no longer be possible to employ such terms of derision as "long haired men and short haired women." It will not be necessary for women to fight, in the same sense as formerly, for their rights as workers in industry. We are looking forward to this type of conference in our session devoted to women and children in industry.

Medical supervision of industry needs little argument as to its necessity. Results are evident in the better health of the worker, and in the increased production from the standpoint of the manufacturer. The worthwhile facts are that more and more physicians are discovering this as a specialized field, requiring real talent and training; and notable progress has been made in industrial hygiene and medicine as a result. Leaders in this work will be called upon to contribute towards a better understanding.

## Pilferage and Exports

THE seriousness of losses from pilferage and other forms of dishonesty in connection with the transportation of goods from manufacturer to customer, both in domestic and foreign trade, are well known to all engaged in commerce. The Committee on Merchant Marine and Fisheries of the House of Representatives of the United States instructed its sub-committee on marine insurance to investigate this particular trouble, as it related to export cargo.

Public hearings were set for July 18, 19 and 20. There was a large attendance at this hearing of representatives of all the leading bodies connected with international commerce, in the form of manufacturers' organizations, insurance and steamship companies, railroads, associations of exporters, etc.

The National Association of Manufacturers was represented by Mr. Nathan Williams, of the Law Department, at Washington, and Mr. M. Gonzalez, Chief, Latin American Trade Division. After introductory remarks of Mr. Williams, Mr. Gonzalez later made a strong plea for co-operation in eradicating the evils, pointing out that the energies, activities and resources of the manufacturer, exporter, underwriter, carrier, truckman, lighterman, railroadman, stevedore, steamship owner and even the consumer is necessary in order to successfully combat the troubles, each doing all he can in his own domain, which includes the most careful attention to packing, prudent marking, prompt movement while in transit, careful selection of employees by all concerned, holding all strictly responsible for their own particular work and providing prompt arraignment and prosecution of culprits, etc.

After numerous interpretations by the courts, the Harter bill has been found not to meet the original inten-

tions of its framers and therefore, needs amendment in order to help place responsibility more clearly where it belongs.

Since all interests are now fully aroused to the gravity of pilferage and other dishonest practices in connection with transportation of goods, it is to be hoped that measures will soon be taken by all concerned to discourage the offenders to such a degree that will at least permit of the transportation of goods in international commerce with the same degree of safety that obtained before the war offered so many opportunities for persons to carry out their dishonest inclinations without much fear of detection or arrest.

### SAMPLE FAIR AT BARCELONA

THROUGH the American Chamber of Commerce in Spain the National Association of Manufacturers is advised that the Official Sample Fair, held at Barcelona for two years with great success, is to be held for the third time at Barcelona, from the 15th to the 25th of March, 1922.

The American Chamber says: "We wish to emphasize its importance as an opportunity for the exhibition of American made merchandise, as buyers come not only from all Spain but from nearby countries and from Latin America as well to attend it. We hope that many American firms will prepare to be represented with exhibits. We should appreciate your recommending firms to write to us for any special information they may desire." The address of the American Chamber of Commerce in Spain is Rambla de los Estudios 8, Barcelona.

### SWEDEN BANS COFFEE

The Swedish Government has prohibited the importation of coffee indefinitely. The decree became effective from January 12.

# The Aircraft An Aid To Journalism

*Employment of machines for the reporting of stories where the time element means so much, has been found valuable, and the daily newspapers throughout the country are extending services widely*

By HOWARD MINGOS

Manufacturers Aircraft Association, Inc.

AS it was the New York *Herald*, that reported and took the first way back in December, 1903, photograph of the first airplane in its first flight, twentieth century journalism, dependent for success as it is on speed and enterprise in news gathering, has been influenced in no small degree by aircraft. Always alert for improvements in methods of circulating their publications and of presenting the news and photographs in a better manner, editors have begun to recognize in the airplane a servant able to do their bidding in numberless ways. In so many instances in recent years, notably, 1920, have aircraft been of use to journalism that it will not be very long before the plane will become a necessity to the fourth estate in its varied activities.

Leading newspapers, such as the New York *Herald*, *Times*, *Tribune*, *World*, *Evening Post* and *Globe*; Boston *Post*; Philadelphia *Ledger* and *Press*; Chicago *Tribune*; Detroit *News*; Milwaukee *Journal*; St. Paul *Press* and *News*; Omaha *Bee*; Salt Lake *Tribune*; Los Angeles *Examiner* and *Times*; San Francisco *Examiner*, *Bulletin* and *Call-Post*; Portland *Journal* and Seattle *Times*, have especially assigned reporters to keep in touch with and chronicle the latest developments in aviation. Many of these aerial journalists have "covered" their stories by airplane, undergoing varied and thrilling experiences in getting the news. It is safe to say that newspapers in almost every state in the Union have employed the airplane for adver-

tising, news gathering, aerial photography, the transmission of photographs and deliveries of the publications.

When in early 1919 the airplane, with its war developed possibilities and peace time proposals, became available for the commercial needs of the people, many journals turned to it as a remarkable instrument for publicity. It is no doubt true that the editors at the inception of their use of aircraft had the advertising aspects of their experiments uppermost in their minds. When the San Francisco *Bulletin*, for example, sent a woman writer in a plane over San Francisco Bay to drop wreathes on the deck of the ferry boat upon which General Pershing stood and when it dispatched another plane with a Thanksgiving turkey for the Farallone Islands, it is self-evident that the business office as well as the news gathering columns was served. Similar benefits undoubtedly accrued to the business department of the San Francisco *Call-*

*Post* when it staged a speed contest in which an automobile, an airplane and a railroad train contested for first place. This trial brought out that a railroad train starting with a first edition of the paper and an automobile speeding with a second edition could both be beaten over a 125 mile course by an airplane bearing a third edition. If these were publicity features, they were "news" as well.

The service of the airplane to the city editor in his task of gathering the happenings of the day is of comparatively recent origin. The history of this new adjunct of the "city room" has been an absorbingly interesting one, however. One of the first instances of a bit of genuine aerial reporting was that performed in connection with the burning of the U. S. Army Transport *Mt. Vernon*, which caught afire 500 miles from San Francisco. Willis T. Chapman, of the San Francisco *Call-Post*, with a staff photographer, flew out to the burning steamer in a plane, visualized the situation and on the way back wrote his story on a typewriter in the clouds, thus scoring a well earned "scoop" over the competitive papers of the city.

Recognizing the efficiency of the flying machine, Harold Martin, eastern superintendent of the Associated Press, chartered a Curtiss "Seagull" to aid in "covering" the America's Cup Races off Sandy Hook in July, 1920. Robert Wright, of the Associated Press staff wrote such a vivid description of the races as he viewed them from the sky that his stories were published in practi-



Using airplane to report last international yacht race



Seattle "Times" photographing top of Mount Rainier

cally all newspapers of the agency's membership.

The New York office of the Associated Press felt that the utilization of aircraft was epochal and sent broadcast an announcement in which it was stated:

"Whereas, seventeen years ago, when the last International Yachting Classics was held, the Associated Press covered the event from ship and shore, this year it is reporting the races from land, sea and air, by wireless telephone and land wire."

Among other newspaper men whose names are familiar to the public by reason of their journalistic adventures in the air are Jesse Butcher, of the New York *Times*; Jack Binns, New York *Tribune*; J. Earl Clauson and Harold Wengler, New York *World*; Richard J. Watkins, New York *Herald*; Gene Fowler, New York *American*; Gordon Lamont, New York *Evening Post*; Frank Hill, New York *Globe*; Stanley Prenosil, Associated Press; Tom Hanley, New York *Telegraph*; Floyd MacGriff, International News Service; Theodore E. Hedlund, Boston *Post*; William D. Tipton, Baltimore *Sun*; Morrow Krum, Chicago *Tribune*; Bogart Rogers, Los Angeles *Examiner*, and Bill Henry, Los Angeles *Times*.

Another example of journalistic enterprise was that of the St. Paul *Dispatch* and *Pioneer Press* in sending a plane to get the details of a cyclone which had swept a district 500 miles from Minnesota City and destroyed means of quick rail or road transportation.

Many other instances, such as the reporting of the World's Series by the Philadelphia *Ledger*, could be cited to show how the flying machine has served the newspaper as no other agency could. The future use of the

airplane by the editor will only be limited by the extent to which airports are developed. Newspaper reporters perform their work under great pressure; speed is their watchword and they cannot take anything for granted. The news gatherer has not the time to investigate if a certain town or city has a landing field. He must have definite information that such is the case before he can employ the plane to get him to his destination.

The fact that the pictorial end of news getting has progressed more rapidly than the reportorial may properly be ascribed to the ability of the aerial press photographer to do his work without landing. With the supply of war pictures rapidly diminishing, the editors of the picture supplements, a feature of many of our leading journals, have welcomed the advent of the flying machine to provide them with novelties in the way

of photographs. Many of these pictures have been supplied by Air Service and professional flyers who have taken up this work as a vocation.

Sky views of estates, beautiful homes, inspiring bits of scenery and cities have found their way into the picture supplements in recent months. Special photographers were sent over the stadia where the collegiate football and World's Series games were played to snap views of the crowds and plays. The field of aerial photography has unlimited possibilities and the newspapers are not unmindful of them.

For every photograph which airplanes have caught and carried to newspapers, they have transported hundreds of copies of the publications themselves. The saving in time in bringing the paper to its readers by the airplane is incredible in some instances. The New York *Times* sensationally demonstrated this when it delivered several hundred copies of its first edition to the Republican National Convention in Chicago on the same date of issue. Ordinarily, by rail, the *Times* would reach Chicago the following day, or eighteen hours later. Delegates to the Convention who were handed copies of the paper could hardly believe their eyes and many of them sent telegrams of congratulation on the feat to the publishers.

So, too, the New York *Evening Post*, which on several occasions utilized aircraft in delivery. One, when rail and water transportation was tied up by strikes, an Aeromarine flying boat carried an edition of the *Post* far into New Jersey, giving subscribers delivery quicker than under ordinary circumstances. Again, when Franklin D. Roosevelt, Democratic Vice-Presidential nominee was noti-



Milwaukee "Journal's" reporting and delivery airplane



fied, a Gallaudet land plane carried a special edition to Poughkeepsie.

The Cleveland *Plain Dealer* in September, 1919, made deliveries to all parts of Ohio by means of aircraft. It established a record in time of delivery between Cleveland and Akron. The Denver *Post* made several deliveries throughout northern Colorado, while the Oregon *Sunday Journal* similarly used the airplane in carrying its issue to Astoria. The Pittsburgh *Press* on October 9, 1920, delivered 200 copies of its paper by air to Altoona, Pa.

These instances have been chosen

from scores of others where the airplane has demonstrated its worth as a circulation medium. This use of aircraft is still embryonic, but as time goes on there is no doubt that publishers will avail themselves to a greater degree of its benefits as a quick and certain carrier.

Summing up the relation of aircraft to the press it may be stated that aviation as a unit has proven its absolute efficiency. It slashes time, bringing the news to the reader of newspapers hours earlier than otherwise could be possible. It has opened up a new source of pictorial news and ways

of "covering" events. While, earlier in the game, editors hesitated to permit their reporters to go aloft on assignments, the lack of accidents have given them a confidence in the safety of the aircraft. Could the proper support, however, be extended to a movement to bring about the accomplishment of a unification of such air traffic facilities that now exist and for the intelligent promotion of landing fields through or under centralized Federal control, it is highly probable that the press will adapt the airplane to its needs to a greater and more effective degree,

## How It Feels 'Way Up In The Air

*The 1921 Aircraft Year Book, published by the Manufacturers Aircraft Association, gives a graphic idea of what a man goes through when he makes an altitude record for the whole world*

CONDUCTING experiments in developing the supercharger, United States Air Service on February 27, 1920, sent up a Packard built Lepere biplane which broke the world's altitude record held by Roland Rohlfs, chief test pilot for the Curtiss Aeroplane and Motor Corporation. The pilot of the Army plane was Major Rudolph W. Schroeder, chief test pilot at the army engineering experimental station, McCook Field, Dayton, Ohio.

Major Schroeder battled upward through hurricane winds to a height which the Bureau of Standards, on calibrating his instruments, fixed officially at 33,000 feet, while by the rules of the Federation Aeronautique Internationale, under which world records are homologated the figures were 33,114 feet.

The Bureau of Standards' method was sufficient, however, to transfer the record from Rohlfs to Schroeder, the former's record being 32,450 feet made with a Curtiss Wasp triplane, without a supercharger, at Garden City, September 18, 1919.

Schroeder had reached 29,000 feet on September 6, that year, consequently he and Rohlfs were friendly rivals for honors, and it was Rohlfs who was the first to wire congratulations to Schroeder for his remarkable exploit—an achievement particularly attractive to the public because of the thrilling incidents accompanying it.

Schroeder's plane was especially prepared to spend many hours in the unexplored atmosphere far out of

sight of those who watched him ascend from McCook Field. Special fuel was provided through the efforts of Thomas Midgely, Jr., who had been developing "anti-knock" fuels for the Dayton Wright Company. Dressed in the warmest flying clothes obtainable, Schroeder was also provided with two tanks of oxygen, one a reserve, calculated to supply his lungs for three hours after leaving the zone of life-sustaining air within which the earth revolves. His principal object was to explore the trade winds sweeping from west to east at marvelous speed, though too high to sustain life without artificial aid.

At 18,000 feet Schroeder began "smoking" his oxygen. The temperature had fallen 67 degrees below zero (Fahrenheit). The center section of the sturdy Lepere was coated an inch thick with ice. Exhaust from the motor sprayed fumes of carbon-monoxide over the pilot.

### Nearing the Roof of the World

The 400 horse power Liberty motor maintained its climbing ability with the aid of the supercharger which provided just the right mixture even at the height of 33,000 feet. Schroeder had no idea how high it was possible to fly. He believed the "ceiling" to be about 48,000 feet. Finding that he was then higher than any human being had been before him, Schroeder examined his gauges and seeing that he still had fuel for an hour and half, continued to push on, climbing steadily, meanwhile making notes of the

performance of plane and motor recording the temperature every 50 feet and, most important of all, observing the winds which had been driving against his machine and pushing it backward faster than the propeller could pull it forward during the climb.

He had found one series of these trade winds at 30,000 feet, ranging from 100 to 300 miles an hour in velocity. At the peak of his climb, 33,114 feet, he found the winds blowing eastward at 225 miles an hour. At this juncture he missed the oxygen and hurriedly investigated. He had been using the reserve tank, the first one having failed to function. He found the reserve tank empty and turned back to the first tank, which continued to fail him.

Tearing off his ice-encrusted goggles and gasping for want of air and inhaling the poisonous fumes of carbon-monoxide from the motor exhaust, Schroeder threw his machine nose down and leaned forward to cut the switch, just as he fainted. This saved his life. Those on the field who had been scanning the sky for first sight of the daring flier, saw a thin wisp of vapor-like smoke, appear over the city. Moments later they made out the plane. It was spinning and out of control. As it neared the ground they saw it straighten out and, after an anxious delay, circle about and glide into McCook Field. Limp and helpless, Schroeder's body was slouched in the cockpit, his head drooped over the side and, to the amazement of everyone, his eyes were

frozen wide open. He looked like a dead man coated with the ice that made the machine a ghostly ship. Schroeder spent many days in the hospital nearly blinded and with a valvular disturbance of the heart. He asserted

that his plane had been out of control from the peak of his climb till he regained consciousness sufficiently to recognize his danger a few hundred feet over the city.

The plane had fallen five miles

and its pilot lived, promising the world that if opportunity afforded, he would go up in a glass enclosed, sealed, cabined machine amply fueled to fly to the ultimate roof of the world.

# Radium, An Essential Factor In Safety

*Its role in industry is less spectacular, but perhaps even more important than as a therapeutic agent, for it is constantly saving lives in darkness in mines, in factories and other concerns*

**R**ADIUM, the most mysterious and most powerful element known to science, which has the greatest power of all discovered sources of energy, has now been linked with the safety movement and will lend its power to the prevention of avoidable accidents. So great is its power that one gram is sufficient to raise a ton of water from the freezing to the boiling point. If one ton of it were harnessed to a ship equipped with 1,500 H. P. engines, the ship would be propelled at the rate of 15 knots an hour for thirty years.

Radium is best known to the world through its curative properties in the treatment of cancer and through its commercial value in making radium luminous material. The power of radium was made known only a few years ago through the efforts of a Polish woman scientist, and a French and an American professor. Radium now treats thousands of cases of cancer annually, preventing death and eliminating a great deal of suffering.

Radium's rôle in industry as a lifesaver is less spectacular, but perhaps even more important than it is as a therapeutic agent. The great mass of accidents in factories, in mines and in other industrial institutions where darkness is a creator of danger, are being eliminated through the newest invention of science—radium luminous material. Radium illuminated watches are familiar articles. The same material that illuminates these is now being employed in great factories on all power line switches where fumbling might mean electrocution to the operator.

High pressure gauges, which are installed as an insurance against dangers are deprived of a great deal of their safety value through inconstant lighting. Their dependability as indicators is increased tremendously through making them safe 24 hours a day by the application of radium luminous material, which is invariably luminous in the dark. Steam gauges and water

gauges of all sorts are making use of radium to increase safety.

Electric switches are often set in places which are unlit. This includes electric lighting equipment which is usually visible only after the light it controls has been turned on. A spot of radium luminous material on the button or switch makes them easily located in the dark, so that in emergency they may quickly be made use of.

Likewise, a fire alarm or a fire extinguisher is deprived of a good deal of its efficiency through being invisible in the dark. Radium luminous material acts as a quick locator for them. Telephones which are often necessarily found quickly in the dark in emergencies, various emergency call bells, and revolvers are made more useful through the application of undark. Gun sights, illuminated, insure accuracy of aim in the dark. The need of luminating poison bottles, so that they may stand out warningly in the dark has been demonstrated too often to need further dwelling on. An interesting safety device is the safe combination whose dial is radium luminated, so that no artificial light need be used for it.

The industrial uses of radium luminous material are many. Bolts that are necessarily attached to the dark underportions of machines and equipment are being touched with dabs of this luminous material with a consequent great saving of bloodshed. In mines where the carrying of oil lamps or the placing of electric lighting equipment is not feasible, radium has been found to be a boon to humanity. There are dark corners in the dark underground channels which miners must traverse, corners where danger lurks—these are made safe through the unvarying luminosity of radium.

The value of radium to mariners is commencing to be recognized. Not only the compass dials, but the steering wheels, the gauges, and other instruments which should be instantly and uninterruptedly visible have been

touched with radium. Motorists, motor cyclists, and the operators of any machinery which has indicating dials, or gauges which tell of the speed of the motor or the quantity and mixture of fuels and oils, are finding the solution of their difficulties in radium luminous material. The hazard of uncertainty has been reduced.

While radium is the most valuable element in the world—a gram of radium, which is about a thimbleful, costs \$120,000, as opposed to \$150 for an ounce of platinum. So powerful is it when mixed with other materials that even the minutest particle is effective in making material self-luminous for years. It is this quality which makes radium luminous material commercially possible.

The great value of radium is due to its scarcity, and to the great difficulty in isolating it after it has been found. Much of the radium of the world is now found in America, in carnotite fields. A great portion of this comes from the Undark Radium mines in the Paradox Valley of Colorado.

The ore is found in narrow seams in the ground. It is sorted and packed in one hundred pound sacks and transported sixty miles to the nearest railroad station on the backs of burros and mules. Thence it is shipped in carload lots 2,900 miles across the continent to an extraction plant.

Two hundred and fifty tons of ore treated with an equal amount of chemicals and water yields one gram, which is about the size of a pin head.

The power of radium lies in the penetrating character of its rays, which disintegrate and travel at the rate of 3,000 miles a quarter of a second.

In addition to the use of radium luminous material on machinery in industrial plants, it is used extensively for the marking of any corner or spot which should be visible in the dark.

When other lights fail, when fuses blow out, wires break down—radium will glow dependably without danger of explosion or of burning.

# Losing \$90,000,000 A Year In Illness

*Business men in the Wall Street District, finding 13,500,000 days are lost in a year by sickness, plan a greater hospital to reduce this enormous loss due to illness and accident hazard to a minimum*

*Written especially for AMERICAN INDUSTRIES*

**By WILLIAM HAMLIN CHILDS**  
President, The Barrett Company

**A**LMOST in the shade of the New York Stock Exchange and yet so close to the edge of New York Bay that its windows are cooled with the salt mist that sometimes blows over that congested tip of Manhattan Island, stands a hospital uniquely situated in a hundred respects.

It is not an emergency hospital alone; yet in the Wall Street disaster which killed two score almost in its front yard, it treated 173 patients in a single hour. It is not a hospital for seamen; yet hundreds of men of the world's navies have been nursed back to health through its wards and dispensaries. It is not a hospital for office boys and corporation presidents; yet in large numbers these too have come to it for treatment.

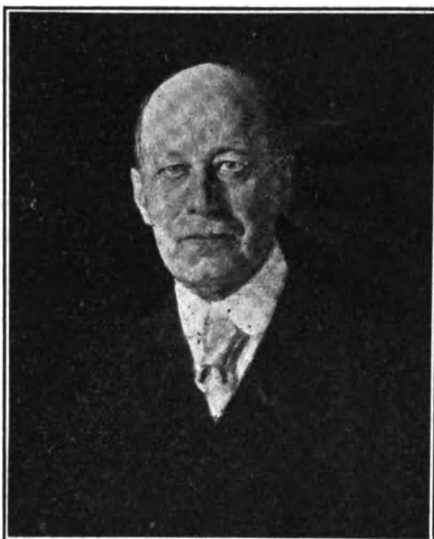
But, now more than ever before, it is to be a hospital to administer to the needs of 1,500,000 people who spend most of their waking hours at daily tasks in that less than a square mile of the United States that is bounded by Chambers street, the North River, New York Bay and the East River.

A large number of business men are now undertaking the expansion of Broad Street Hospital to the end that the community which they know as "Downtown New York" shall not be unprotected in time of emergency or even in the casual illnesses of so many hundreds of thousands of workers. But the problem is not alone New York's. The problem of lost time and lost energy is the problem of every center of business from Gopher Prairie to the sea.

The facts that are to be pointed out from studies made of New York illness are but a reflection of what is likely to be felt wherever the problem of illness is studied. But partly because the facts are specific are they interesting. A few of the arguments that have influenced the formation of the Downtown Hospital Association are the following:

Out of every hundred workers in the area to be served by the hospital three are on the daily sick list. Forty-five thousand in this district

alone are away from their jobs every day of the year. If the average of their salaries be taken at \$2,000 a year, the loss in wages alone is \$90,000,000. The loss in energy is beyond computation.



William Hamlin Childs

But in the institutions which have their own medical departments the rates of illness are found to be lower. There can be no doubt what the cause is that the Bankers' Trust Company illness rate is lower than the Metropolitan Life Insurance Company has found to be the average over a large field. Nor is there any doubt but that it is the medical department that has brought a lower rate at the Chemical National Bank. The institutions that have had preliminary examinations, medical supervision, annual re-examinations, or any part of the program that most of the banks and corporations now have, are showing a decreased loss of time due to illness. Those institutions that have given attention to physical welfare as a distinct part of their work, through their personnel departments, physicians, nurses, or merely lay members of their staffs, have shown results that are not to be denied.

The degree to which the individual departments have been developed nat-

urally depends upon the size of the respective institutions. The Guaranty Trust Company and the American Telephone and Telegraph Company maintain health services independent in almost every particular. The great majority of the other large institutions, however, supplement their own activities by securing outside aid.

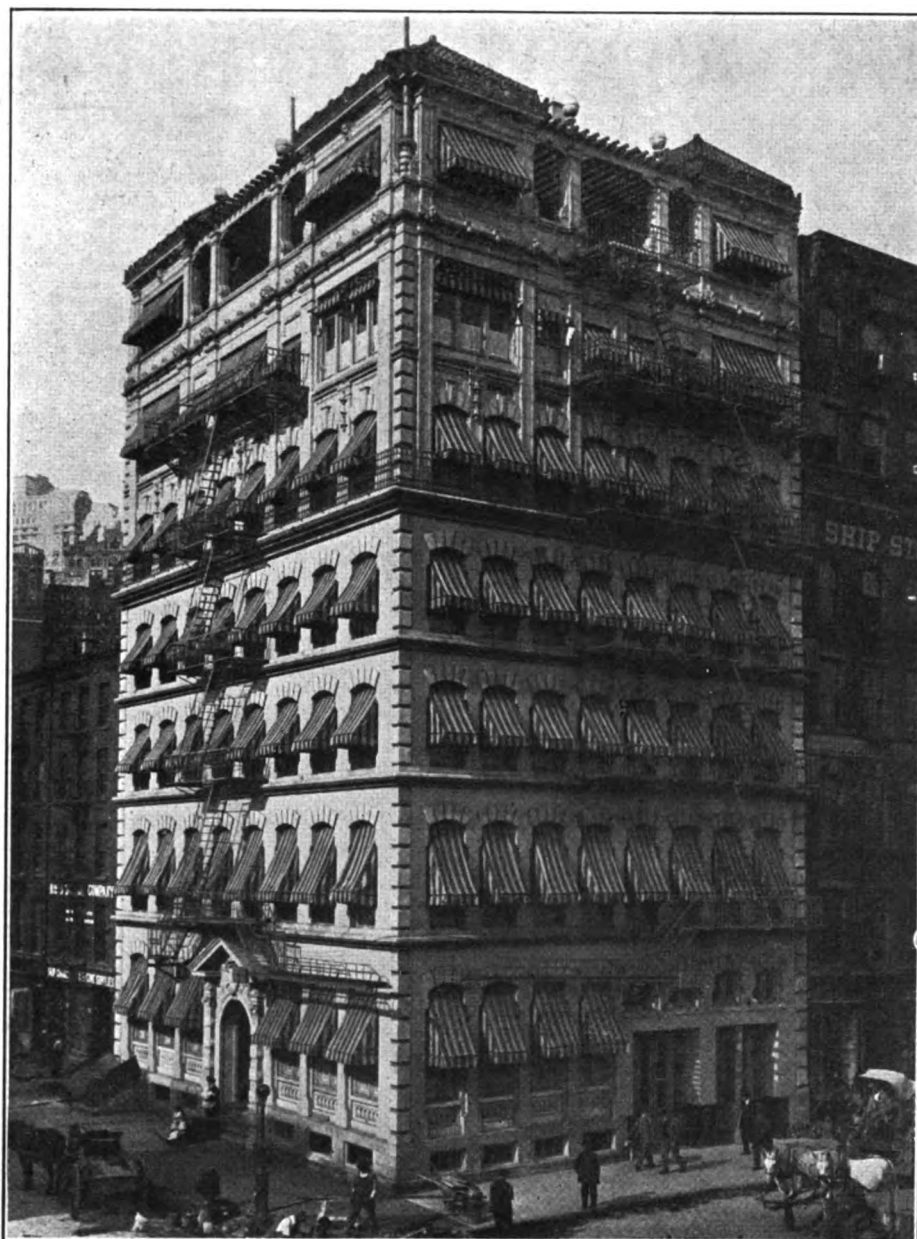
The Barrett Company had occasion to use the hospital in a serious emergency not long ago. The distance to the services of a physician was to be the absolute determinant of the life or death of an employee suddenly stricken with typhoid pneumonia. The life was saved; and, though the specific incident may not now seem important amid general statistics, it suggests a question which every employer should ask himself.

"Suppose an employee of ours were stricken ill in the office or met with an accident in the street. What would we do? Have we near at hand a doctor or a hospital that may be called? And what shall we do when an employee asks for medical advice? Do we not owe it to him and to our business to be sure that the best possible facilities are ready? Is this not a type of insurance? The occasion for the use of the hospital may not arise. But if it does, it will be ready."

Such corporations as the Federal Reserve Bank, J. P. Morgan and Company, Bankers Trust Company, Chemical National Bank, Brown Brothers, United Fruit Company and the Barber Steamship Lines, have chosen to employ the services of New York's downtown hospital as the best means of rounding out the work of their own medical departments.

In this way, these corporations, and many others of similar importance, have availed themselves of the use of a highly developed X-ray department, pathological laboratories, a first class dispensary, an ambulance service for emergencies, and the hospital services of physicians, surgeons and nurses.

But the hospital has been unable to do as large a measure of work as it would like. In the largest commuting district in the world—400,000



Broad Street Hospital

come by railroad to downtown Manhattan each day; 1,000,000 by subway, elevated, surface car lines, and ferry, and 100,000 by foot or automobile—the hospital is now going to be able to undertake a test in preventive and curative medicine.

It is going to be able to undertake the task in downtown New York of reducing the nine days per person lost through illness a year—a loss amounting in the entire country to six billions of dollars in wages and work undone. It is going to do its share toward a downtown revision of the calculations of time lost, that have resulted in some corporations finding it necessary to reserve as large a fund for illness as for vacations—to reduce for them one of the costs of doing business from among those so-called “fixed charges” that make up overhead—to show an even wider discrepancy

than at present between the average time lost by the employee and the thirty days sick leave allowed some federal employees under Civil Service rules. It is going to attempt to cut casual illness absence by a large percentage and to lessen the hazard of serious illness.

But from the point of view of emergency work alone the men of New York's Downtown Hospital Association have found that their hospital facilities are lacking. In the district at the present time there are 175 hospital beds for 1,500,000 persons—one bed for every 8,600 persons! Throughout New York State the ratio is one hospital bed to every 333 persons. In New York City, the ratio is one to 200; in London, one to 500; in Paris, one to 100; and in Berlin one to 300. But in lower Manhattan, probably the richest business district in the world,

the ratio is only a little better than one to 10,000.

It may be unnecessary ever to bring the number of hospital beds in this district up to the 7,500 that would meet the New York standard, for the resident population is but 18,000. But it is clear that 175 beds is far too few both from the standpoint of casual illness and from that of such disasters as the Wall Street explosion which filled the hospital with victims even to its corridors.

There is another aspect to the economic loss due to physical incapacity—a loss more difficult to compute. That is the loss of life spent before its time. Shall we compute the value of one who dies prematurely on the basis of his salary multiplied by the number of years of foreshortening or shall we take—merely his earning as the interest on a larger principal sum that would annually yield the same return? In any case the human element of the value of life has not been considered and the calculations fail to present the true picture.

But that there is a loss from this source as well as from day to day illnesses is indisputable. Professor Irving Fisher of Yale has said that fifteen years might be added to the average length of life by only a sane attention to the care of the health and the first signs of illness.

In India the average duration of life is 25 years, in Sweden it is 50 years, in Denmark 51.7, in France 47.5, in England and Wales 45.9, in Italy 42.9, and in Prussia 42.8. In Massachusetts it is 45 years. Evidently, then, the length of human life is dependent on definite conditions, and it is reasonable to suppose that a variation of those conditions will result in a variation of the length of life. In a single country, Switzerland, there has been observed a lengthening of life over the centuries. In Geneva, where records are available for the past four centuries, the 16th century showed a life span of 21.2 years, the 17th showed 25.7 years, the 18th 33.6, and the 19th 39.7.

And it is upon a logical deduction from such thoughts as these that a large part of downtown Manhattan has become interested in increasing the hospital protection of that section of the country where their own and their employees' daylight hours are spent. If illness is a factor in the costs of business comparable to the cost of rent, heating and vacations, then it has a rightful place even in the business calculating of the employer. If its ravages are the cause of death coming, on an average, a decade and a half before its time, it merits the attention of everyone who thinks.





In Genoa

# WORLD TRADE

CONDUCTED BY

**WILLIAM M. BENNEY**

*Manager of the Foreign Trade Department of the*  
*National Association of Manufacturers*



In Copenhagen

## The Commercial Situation In India

*Elucidation by special correspondents of the National Association of Manufacturers of the condition of trade in the foreign country where American goods have been finding a constantly growing market*

INDIA is one of the great markets of the world to which, before the war, American manufacturers gave but little attention and which market is at present very little understood. In spite of this fact there has been a growing trade with India in recent years, largely on account of the conditions brought about by the Great War, but also to a considerable degree because of the increasing interest which Indian merchants themselves have taken in endeavoring to cultivate direct relations with American business houses. Recent reports show that imports from the United States into the port of Bombay alone, in the year ended in March last, were valued at nearly \$33,000,000, an increase of \$15,000,000 over the previous year. A great deal of this trade with India on the part of the United States appears to rest on a sound foundation, particularly in such lines as automobiles, iron and steel and certain classes of hardware.

Before the war, Germany had a rapidly growing trade with India, but this trade so far as it has not been taken care of by the United Kingdom has been largely shared between the United States and Japan. Last year, however, Japanese trade in iron and steel with India almost completely collapsed.

India at present is suffering from the same troubles as the rest of the world, and these troubles are well described in the following special report from the Association's correspondents, written in June:

"Business generally in India is the worst we have known it in the whole of our experience of the country extending over 35 years. Dealers are

repudiating their contracts or refusing their drafts on all sorts of excuses, mostly on the plea that the Government guaranteed a two-shilling rupee and that they will not take up their drafts at any other rate. The real cause of the trouble is over-buying. When exchange rose as it did to 2s. 11d., dealers who had, we will say as an example, 100,000 rupees capital ordered goods in sterling or in dollars to what they estimated this 100,000 rupees would be sufficient to cover. Before the goods arrived here the value of the rupee commenced to fall. Many people were of an opinion that the fall was only temporary and that the rupee would recover, instead of which the fall continued and dealers found themselves with, roughly speaking, goods to the value of twice the amount in sterling or dollars to what they could pay for. The result is that the ports, jetties, banks and private warehouses are loaded up with unclaimed goods, and the situation does not in any way seem to improve.

### Effect of Concessions to Debtors

"A number of principals from England have visited the country to endeavor to prevail upon the dealers to pay up, but in the end have found that the quickest, in fact the only way was to allow them liberal concessions, which have in some cases been as high as 40 per cent. This, in our opinion, has been good only in part, but has had altogether a most demoralizing effect. Dealers now instead of asking for concessions, demand them. In some parts of the country they formed associations, the members of which have bound

themselves under severe penalties not to take up their goods until concessions have been made or until payment has been accepted at the rate of two shillings to the rupee.

"This is especially the case in Bombay and Upper India. In Calcutta we have another association whose members are endeavoring to force the banks to accept payment at the rate ruling on the date on which the drafts matured. Unfortunately, there seems to be no united action amongst the representatives of shippers to bring the dealers to a sense of business morality. Each manufacturer or representative is taking some sort of individual action but in our opinion much better results could have been achieved had manufacturers put forward a united front.

"Added to the above, we have all over India something in the shape of a political movement or a boycott of foreign goods. This is not at present doing much harm, but we notice, especially amongst the educated classes, a disposition to do without an imported article when a locally manufactured substitute can be procured. This is no doubt commendable and must ultimately work for the good of the country if the movement could be separated from politics."

### Sources of India's Imports

The sources of India's chief imports are as follows:

*British Importations:* Leather, machinery, drugs, piece goods, mill stores, paper, chemicals, paints, beltings, sporting requisites.

*American:* Lubricating and other oils, cinema films, hardware, tools,

arms and ammunition, electrical goods, motor cars, motor accessories, motor tires motor oils, provisions, patent medicines, paper, lamps, playing cards, hosiery, paints, dyes, liquid fuel.

*Japanese:* Cheap glassware, fancy goods, straw boards, paper, toys, matches.

*Swiss:* Watches and clocks, embroideries.

*German:* Chemicals, fancy goods, toys, glassware, dyes.

*Belgian:* Glassware.

*Scandinavian:* Paper, wood pulp.

"The usual terms of credit from all nations to India," continues the report, "are drafts at 30, 60 or 90 days, documents on payment or documents on acceptance, according to the standing of the indenter. English and Continental firms have recently been demanding from 30 to 50 per cent advance payment. American firms seem to prefer confirmed bankers' credit, against which they can draw.

#### Condition of New Industries

"Exporters are not at present receiving satisfactory prices for their products. Of course, war prices have somewhat spoiled them and led them to expect much better prices, but almost every description of indigenous product is at present in a very poor way.

"Banking facilities for foreign trade are quite adequate.

"The deprivations on account of the war encouraged activity in certain industrial lines, including tanning, leather works, railway wagons, iron smelting and in a small way chemicals. We understand soap in the near future will be manufactured in a large way in India. Cigarette and small brassware factories have increased.

"In 1919 innumerable companies for almost every description of industry were promoted and the lawyers are as busy to-day liquidating as they were then floating.

"The cost of living does not show at present any signs of recession. House rents are receding somewhat from the very much inflated rates which were coming into force in 1919-20 when Government were compelled to legislate specially against it.

#### Labor Difficulties

"Labor is a very difficult problem in this country. Labor on all sides is demanding higher wages, but experience goes to show that with native labor higher wage invariably results in less production. The Indian can exist on a very small wage; if he is paid more, he accumulates the excess and then stops work until his accumulation is

exhausted. Labor in the coal fields is a problem which cannot be overcome. In tea gardens where they use labor imported from other districts they are at present having great trouble. The labor there gets a small fixed wage and an extra according to work. Owing to the bad position of the tea trade generally the coolies are earning much less wages than they have during the past few years, with the result that there is a deal of labor trouble.

"The best quality of mutton is retailing in Calcutta at 24 cents per pound, beef somewhat less. Flour is 6 cents a pound and gasoline 60 cents a gallon.

"India is just now in a most deplorable condition. Unrest is the principal topic of the day and trade is practically at a stand-still. Many of our oldest business houses have been severely hit. This may be put down to speculation in war commodities, specially jute and gunny bags. The money market is most stringent; retailers are feeling it exceedingly. Wholesale dismissal of covenanted hands has been the rule rather than the exception, and everywhere one hears of reductions in establishments. Many old established retail firms have come under the auctioneer's hands. India is generally passing through a most critical time."

## India's Imports Increase

INDIA'S imports of machinery and millwork, including belting in 1919, were valued at \$19,006,602, against \$16,984,085 in the preceding year. There were noticeable increases in cotton-mill machinery, \$1,589,723, in boilers, \$389,320, and in electrical machinery, \$324,433. Sewing and knitting machines decreased by \$681,310, and jute mill machinery by \$389,320. Cotton mill machinery was valued at \$5,353,150, of which the United Kingdom supplied \$4,412,293, the United States \$519,093, and Japan \$421,764. The share of Bombay was the same as in the preceding year, ninety-one per cent. Jute mill machinery amounted to \$1,849,270 as against \$2,238,590 in 1917-18. The United Kingdom accounted for \$1,751,940 as against \$2,011,467 in the preceding year, and Japan only \$64,887 against \$162,217. Electrical machinery was imported to the extent of \$1,265,290, an increase of thirty-five per cent, over the preceding year. The imports from the United States nearly doubled from \$259,547 in 1917-18 to \$519,093 in the year under review, while the imports from the United King-

dom increased from \$583,890 to \$648,867.

The pre-war average imports from the United States were \$64,887 and from the United Kingdom, \$1,005,743. The imports from America have, since the war, greatly increased. Boilers were valued at \$746,197 as against \$324,433 in the preceding year. Only 27,534 sewing and knitting machines were imported as against 57,761 in 1917-18. The main source of supply was the United States with ninety-seven per cent of the trade. The imports of typewriters in the pre-war year were 6,267, valued at \$324,443. Machinery for tea gardens increased by \$64,887 to \$486,650, and mining machinery by \$194,660 to \$356,877.

#### CUBA AND THE PARCEL POST

EFFORTS to arrange a parcel post convention between the United States and Cuba have heretofore been prevented because of the refusal of the Cuban Government to enter into such convention until the United States Government made it possible for Cuban exporters to send cigars and cig-

arettes to the United States by parcel post. Mr. Fordney has now introduced a bill, H. R. 7293, which is favored by the Advisory Committee on Foreign Mail, United States Treasury Department, Post Office Department and various commercial bodies. This bill will permit the importation of cigars, cheroots or cigarettes in boxes or packages containing quantities as prescribed by law for like articles manufactured in the United States; in other words, in lots of from 5 to 500 in the case of cigars and of from 5 to 100 in the case of cigarettes. The bill also provides that cigars, cheroots or cigarettes imported by mail or parcel post may be inspected, stamped and delivered without being compelled to remove to public store or bonded warehouse.

As there appears to be no opposition to the proposed changes in the revised statutes, or no good reason why they should not be made, and as the establishment of a parcel post with Cuba might be made of considerable value to American exporters and importers, every effort will be made by the Advisory Committee on Foreign Mails and by organizations with which it is associated to secure passage of this bill.

# Developing The Free City Of Danzig

*Eighty or ninety per cent. of the population speak the German language and the port has developed into one of much significance following the great changes brought about by the world war*

THE American Consul at Danzig writes: "The Free City of Danzig has a population of roughly 350,000, of whom from eighty to ninety per cent are Germans in language, customs and standards of living. After Danzig, which has 200,000 inhabitants, the leading centers of population are Zoppot (18,400), Ohra (12,300) and Oliva (11,700).

"The area of the Free City is approximately 750 square miles, the country being low and flat in the east and rolling with slight elevations to the west and south-west of Danzig. The climate is that of the northern temperate zone and not unlike that of our New England coast. The territory does not possess mineral resources and its forests are of limited importance. The rural districts are chiefly agricultural but their production does not at present suffice to feed the entire Free City population.

"Danzig was before the war an important grain, lumber and sugar market and export center. In the import trade it was a receiving and distributing point for coal, petroleum products, fertilizer, herring and other food products, salt, etc. The city had further an active transit trade in such lines as ore, stone, quebracho wood, salt-peter, phosphates, slag, hides, etc. Danzig is a more important commercial than industrial center. It has, however, important shipbuilding yards, a considerable number of sawmills, two sugar refineries, grain mills, a car factory, breweries, distilleries, plants for the manufacture of fertilizer, a bolt and nut factory, and a variety of other industrial establishments whose products include amber goods, matches, glass and soda, chocolate and confectionery, roofing, cigarettes, bricks, furniture, preserved fish, etc., etc.

## Will Be Poland's Port

"Danzig has derived a new significance from the fact that under the Treaty of Versailles it is to be Poland's port and a part of the Polish customs territory. Its commercial importance will be found, not in the market represented by 350,000 inhabitants of the Free City territory, but in the city's position at the mouth of

the Vistula as port of entry and distributing center for Poland and the adjoining territory of eastern Europe. While under the Treaty of Versailles and the recently concluded Polish-Danzig Convention the Free City is to be included in the Polish customs territory, the Convention provides for a delay of three months, and in the meantime the German customs tariff and German import and export restrictions remain in full force at Danzig.

"Danzig has, for the present at least, retained the Germant mark; and the unfavorable exchange situation as well as unsettled conditions in eastern Europe tend to reduce commercial relations with the United States to a minimum. American imports have since the war been virtually confined

to relief shipments to Poland. Certain Danzig firms and especially commission houses and agents are interested in establishing American connections, but this is largely in view of future needs.

"Polish relief shipments have brought considerable numbers of American steamers to Danzig and several lines maintain a more or less regular and frequent freight service to this port. The difficulty of securing return cargo for the United States has tended to check the development of this trade. On the other hand, a considerable number of emigrants leave for the United States by way of Danzig and two regular passenger services under the American flag have recently been established between New York and the Free City."

## Pressing Poznan Case

A DECISION has been reached by firms which shipped goods to Havana on the Polish-American Navigation Corporation's freighter, *Poznan*, last October when she was under charter to the Acme Operating Company, to press their claims for damages sustained through the non-delivery of the cargoes. At a conference of the shippers held at the office of Hunt, Hill & Bett, it was decided that the various firms should report the amount of their claims to Judge E. H. LaCombe, who was appointed a special commissioner by the court, when the decision was handed down on July 9 in the United States District Court by Judge Learned Hand.

An interlocutory decree has been given against the vessel already and this will be made final, it was indicated, as soon as the special commissioner is able to make a final estimate as to the damages sustained by the companies which consigned their freight to this vessel for movement to Havana. The shippers will proceed in *rem* against the ship and in *personam* against the Acme Operating Company, the charterer and against the Polish-American Navigation Corporation, the owner, for damages growing out of a

maritime tort.

The ill-fated voyage of the *Poznan* has been the subject of much discussion in shipping circles. The steamer sailed from New York on October 3 and arrived at Havana on October 8. On October 10 a moratorium was declared to exist in Cuba. Because it was discovered that sixty-nine of seventy sheets constituting her manifests had been left in New York she was not admitted immediately for entry. The manifests came by mail, being received on November 11. She lay at anchor in Havana harbor unable to find a pier to discharge at owing to the congestion until November 25, when by order of the owners she returned with her cargo unbroken to New York.

The *Poznan* docked in New York on December 2. Shippers at once filed possessory libels for the cargo as well as the libels in suits for damages. The ship was arrested at once, and under the order of the court the cargo was taken away by the shippers upon giving stipulations for any damages to the ship. The Acme was not by order of court relieved of the duty to deliver and did not proceed to do so until February 3, the delay being due to

the extreme confusion with which the unloading was made. The cargoes were pilfered by the stevedores and the shippers claimed that heavy damages had been sustained.

Claims for damages amounting to more than a million dollars are expected, the shippers to sue for the damages for delivery in New York, including the cases of foods reshipped and the cost of carriage to Havana; the difference in the value of the goods when finally discharged at Havana and their value at that port in November,

1920, and finally in the case of goods sold in New York, the difference in Havana in November, 1920, and the price realized here. In addition to these claims, the shippers will ask for damages resulting from negligent storage and shortages due to pilferage.

#### ENDS SPANISH-SWEDISH TRADE PACT

Spain has given three months' notice of the termination of the Spanish-Swedish commercial convention. This has been in operation since 1892.

## Italian Business Slow

**A**N official connected with a prominent commercial organization in Italy writes:

"The business conditions now prevailing here are, as everywhere else, in a rather precarious state. The import is very limited, on account of the high rate of exchange, and of restrictions still existing on the Italian Government's part. The import of wheat, coffee, etc. is still in the hands of the Government, and only of late the authorities have agreed to a certain amount of free import of wheat for the manufacturing of macaroni for export. It is the strong desire of commercial circles to return to free trade, and chambers of commerce all over Italy have been passing resolutions to this effect, but the government shows a very careful precaution in this respect.

"In consequence of the above, the import is for the greater part limited to coal, wheat, maize, cotton and all other necessary raw material, while for manufactured goods the import is still restricted on account of the high rate of exchange, and also on account of the reduction on the part of buyers who prefer not to buy, in the hope to see prices reducing.

"Another item interfering with the larger import of goods is due to the lack of credit on the part of foreign exporters and merchants, who insist on payment against open credit at the port of origin. Before the war the contracts were made on the basis of long credits, and the Germans, for instance, in some cases used to allow a credit for a year on goods exported to buyers in Italy. These long credits have lately been completely stopped, and buyers cannot obtain goods but against cash payment as said above. I don't say that exporters from abroad should not take all sufficient guaranty to protect their interests, but the stopping of credit altogether has had for them a very severe effect.

"Some articles of import are now

being bought at reasonable prices, but up to a short time ago prices have been rather stiff. It is my opinion that the return to a free trade, and facilities in payments would bring the commerce on more sound basis, and influence greatly on the prices. When exporters or producers find that through such facilities the demand for their products increase largely, and they can largely increase their production, prices will come down automatically.

"There is no difficulty in banking facilities for foreign trade. The influence on the trade is due to the high rate of exchange, which if on one side interferes with the buyers and importers, renders it very difficult for the producer and the seller abroad, as he finds for this reason the markets very obstinate in not purchasing.

"During the war the metallurgic industries were largely developed, and this was naturally due to the war requirements. Now these industries are going through very difficult moments, as the raw material, which for the most part they have to import, comes very dear on account of the high rate of exchange, and also on account of the strong competition they have with other producing countries, such as Belgium, Germany, etc. In Italy the motor car industry has largely developed, and so the cotton industry, and chemicals, while the macaroni industry which was one of the main industries in this district, has been unable to fully produce on account of the restrictions in the import of wheat.

"Cost of living is showing very little sign of recession, the standard of life keeping still very high, and on the basis of five times the pre-war standard. A reduction in the cost of living is in my opinion a very difficult item, and it can only be reached through free trade, more work, larger production. Now considering that the free trade policy is not yet being followed,

that the cost of raw material, specially on account of the high rate of exchange and lack of credit, is still rather high, and that the labor is not sufficiently efficient on account of a general depression in the working class, the production is not improving and the cost of living is still very high.

"When you consider that the price of meat has been keeping for the last six months on the basis of fourteen lire a kilo, the bread has been sold by the government at a price much below the real cost, creating a political price, which costs the Italian Government the enormous amount of about six billion lire per year (the law for higher cost of bread has now been passed by the Parliament), fish is being sold at a price which goes from six to twenty-five liras a kilo, everybody can see that the cost of life is still very high. Before the war the meat could be bought at 2.40 lire per kilo, the bread at forty centimes, and the fish at a price going from eighty centimes to four or five lire a kilo, etc."

#### AUSTRALIA HARD HIT

After a period of great prosperity during the early part of 1920, Australia experienced an acute crisis, due to the fact that an immense stock of Australian wool was held by the British Government in the face of the new Australian clip coming along, and much of the old season's wool still unsold in the United States and South America, and South Africa. Efforts are made to stabilize values, however. There are also large accumulations of piece goods which must act depressingly upon conditions in countries dependent upon the sale of wool.

The trade of Australia with the United States suffered a severe setback in the latter part of 1920 when it became impossible for Australian importers to procure exchange on New York, the credit of Australia in England having become exhausted. Another factor of a depressing character is the decision of the Australian Government that import duties be paid on the basis of the day's exchange rate. During 1920 Australia has maintained her ambitious program of extending and improving her manufactures and introducing new industries.

#### CHILD LABOR IN PERSIA

That children of the tender age of five years are employed on hard work in carpet factories in Persia was a statement made at the last meeting at Geneva, of the International Labor Office by a British Government member, who proposed sending an amicable note of remonstrance to Persia. The meeting, however, decided simply to ask for information on the subject.



## Bulgaria's Economic Place

A COMMERCIAL Bureau in Bulgaria contributes the following summary of business conditions in the Kingdom of Bulgaria:

"The commercial situation in Bulgaria at the present time is a very precarious one, due to lack of liquid cash. The warehouses are glutted with merchandise bought at prices above normal. The sudden drop in the prices of such merchandise in the countries of origin has been the cause of much loss. This refers particularly to textiles and importers of these goods have suffered enormous losses. Some have gone to the length of refusing merchandise consigned to them and others have sought to effect a compromise by paying a forfeit.

"The opening of free exchange of goods between Austria and Germany on the one hand and this country on the other has resulted in large business passing through those two countries because there the rate of exchange is more favorable and besides correspondence may be exchanged and goods ordered and received in a few days.

"Footwear, cutlery, hardware, glassware and chinaware come from these countries. In fact, the Germans have the predominance here in anything made of steel, glass, paper, as well as in ready-made clothing, while England sends us cotton goods, tin, tinplate and copper. France ships us certain groceries, leather, skins, medicines.

"From Belgium we procure paraffine, paints, etc. Italy supplies us with salt, dry goods, cordage, rubber and automobiles. From Turkey we buy fruit. From America we buy a few automobiles and leather. Up to the present, business here has been for cash but on account of the existing

prices the English have commenced to grant us credits of six months to a year.

"Some American houses are following suit while the French are shipping goods here on consignment against the bank guarantee. Local manufacturing industries are not developing. We are lacking in raw material and foreign capital is not being invested here. The only industries of any consequence here are sugar mills, some cotton mills, glass works, a few mining enterprises in copper, gold, etc., and some saw mills.

"Lately an important supply of kaolin has been found of excellent quality at low depth, as well as copper, quartz and coal, all of excellent quality. Much can be done here in installing metallurgical plants, power plants, cement works, agricultural implement works, both for making new agricultural implements and for repairing same.

"We advise American exporters to establish in Sophia a large department store and warehouse where Bulgarian customers could find everything from a nail to an automobile. We believe such an enterprise would be very successful."

A banking correspondent in Bulgaria largely confirms the statement by the former correspondent but adds the following information:

"British exporters to this market are supported by advances made by the British Government to grant credits from one to two years. Against merchandise delivered to the order of Bulgarian importers the latter must furnish bank guarantees of Bulgarian currency, payment to be made eventually in pound sterling. Of course, risk of eventual loss is chiefly borne by the Bulgarian importer."

## Uruguay's Condition Low

A PROMINENT import house in Montevideo contributes an exhaustive survey of conditions in the Republic of Uruguay, which is published here in extract.

"The commercial condition of this Republic at the present time is poor. Business is greatly depressed, due to the paralyzation of our exports. Our national produce has no buyers. There is an enormous difference between 1921 and 1919; 1919 was very prosperous; 1921 so far has been the reverse.

"This condition is not due to anything for which this country is to

blame but is a result of world wide disturbances. In 1919, wool, skins, meats, meat products, greases, conserves, were exported at good prices but at the end of 1920 export difficulties began to increase, prices began to drop.

"At first those who held stocks for export kept back, hoping for an improvement in prices, but finally they had to let go at any price. Naturally import trade has suffered similarly.

"Local importers have been obliged to cancel contracts placed abroad and to delay acceptance of merchandise arriving here, due to the great differ-

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ence in prices at which this merchandise was bought and at which it was to be had at the time of arrival. The exchange difficulties were also a disturbing factor.

"Whether the situation will improve is difficult to forecast. Our help must come from abroad. When the interchange of commodities will once more return to normal and when foreign countries will once more buy our raw materials, the situation may improve, but we fear that conditions will grow worse. The United States will not buy our goods and the present tariff proposal in America, increasing customs duties on our goods will still further lessen the chances of the sale of our products in America.

"Other countries which bought from us before the war such as Germany (formerly a very good customer), France, Italy, have their own difficulties at the present time and cannot buy from us without credit, being granted by us. But how can we grant credit to them? We are tributaries of these countries in capital, for they have invested in our industries, in our loans, in our railways, etc. Every day they withdraw funds from use while we are short of capital. It is only with the aid of the United States that we can be properly financed. American loans are required to regulate exchange on New York and this will help an interchange of manufactured products of your country against prime materials of our country.

"In our opinion a wise financial policy of the United States towards South America is the only thing that may settle conditions here. As the demand abroad for our products has suddenly stopped, so has also stopped the sale of drafts and cable remittances from this country to foreign countries, and we are obliged to look abroad for exchange that we need to meet our payments abroad. This condition is not only found in Uruguay, but also in South American countries, except in Argentina. Even in Brazil the same troubles are found in arbitrage of exchange.

"Again, the solution of the difficulties in the United States. A long time loan from the United States would partially help until the production here may find its old outlets in Italy, France, Germany, Belgium and Austria. Another solution would be to stop buying in the United States so as to keep

up a more normal trade balance. This is most likely what will happen and a law will probably be introduced prohibiting the importation of articles considered as luxuries or anything beyond mere living necessities as soon as you are able to increase your tariffs."

## See Falling Prices

**A** PROMINENT bank in Czechoslovakia reports:

The principal industry in our district is the famous Gablonz export industry and the glass industry. The glass industry has been established here many centuries, from which the Gablonz export industry has developed. The latter is divided into jewelry manufacture, pearl production, crystal wares, imitation gems, glass buttons, napkin rings, bangles, glass and push pins and beads. We also manufacture artificial horn and plastic masses such as galaith and celluloid.

The glass industry comprises raw glass, manufactured for the local export industry, glass polishing establishment making crystal wares, and other auxiliary establishments for the local industry. Our export industry is still deprived of some important markets such as the Balkan States and Russia, and must reconquer its old markets such as the interior of Africa, Australia, the Far East and South America. This will be done little by little. Our business with the United States is progressing very energetically. The business with the former enemy states is at present poor, due to the economic crisis prevailing there.

We buy from abroad chemicals and raw materials for glass manufacture, and special machines which we have bought heretofore from Germany. The celluloid industry obtains its supplies from Germany. The artificial horn industry buys in France. From the United States come raw materials for the glass industry, but the impor-

tations are not of importance. We pay cash for our imports of raw materials. Thanks to the high rate of exchange in foreign currencies, the sales prices of local articles yield a good profit.

In our city, which is the chief city of the Gablonz industry, there are at present ten credit banks. In the price of necessities of life we note a certain reduction. Our working people are well employed, at wages that are increasing all the time. Necessities of life have been particularly high in our district, which must import its necessities of life. Coal is exceedingly high. Wages must be maintained high because clothing, shoes, etc., are still high.

The cost of raw glass is made up of wages and coal cost, and until these two factors are reduced the price of glassware must remain high. The prospects for our industry are favorable, but occasional passing crises will occur due to exchange difficulties.

### CABLES' SCOPE BROADENED

With the opening of the station at Santiago, Cuba, All America Cables, Inc., records a distinct advance in its development of an all-embracing communications service between the three Americas.

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## How Brazil Looks

**A**N American commercial organization in Brazil reports as follows:

"Conditions in Sao Paulo are, at present, in a most critical state; strength of foreign exchange and the weakness of the local currency in buying power has caused a number of important failures and has generally influenced the local importer toward placing the goods at the disposition of the seller, refusing to accept drafts for payment of same, with the result that approximately \$8,000,000 worth of American merchandise is lying unclaimed in the Santos customs house.

"Brazil's trade balance is so unfavorable that, until the coffee starts to move in May or June for exports, business will be practically at a standstill. German representatives are taking orders right and left, payment to be effected through Swiss francs. American business in the local market is slowly, but surely, dropping off, owing to the price of the dollar and prejudice against American exporters, due to certain shady tricks done by unrepresentative American firms the facts of which tricks have received too much publicity.

"The sources of our imports are as follows:

"British: machinery, textiles, steel, iron, coal, china, cutlery, clothing, few drugs and heavy chemicals.

"American: typewriters, office ma-

terial, construction material, agricultural machinery, steel products, electrical appliances, automobiles.

"Other nations: wheat, electrical appliances, few automobiles, wines and liquors, some tobacco, steel, food products.

"Terms of credit granted here are as follows:

"British: 120 d/date B/Lading.

"American: 90 d/date B/Lading.

"Other nations: from 60 to 120 d/date B/Lading."

A prominent native firm in Northern Brazil supplies the following review of conditions prevailing in the district of Para:

"The general business condition in this district is rather unsatisfactory. The business world here is struggling gravely with great difficulties, due chiefly to a great drop in prices of our local produce, principally rubber, the selling price of which does not come up to the cost of production and preparation. This general drop in prices affects the financial situation of our market and naturally as a consuming market, we are in a state of great confusion. Our factories are paralyzed and work irregularly, contending with all sorts of difficulties, political, financial, economic and social. Local importations are naturally restricted."

## Situation In Hungary

**A** COMMERCIAL company with British affiliations writes:

"The considerable rise of Hungarian crowns on the foreign markets (which circumstance is proved, for instance, by the quotation of dollars: in December, 1920, 650 Hungarian crowns for one dollar, at present about 300 Hungarian crowns for one dollar) caused a great difficulty in our export, so that our export has diminished exceedingly since about six or eight weeks.

"The above mentioned circumstance and chiefly the lately increasing, but unsteady value of our currency in foreign lands, causes also a very great difficulty in our imports, because our merchants dare not buy goods in foreign countries, for fear their value would be reduced at the time of their arrival.

"We remarked that the export and import of our country was quite a remarkable one during last autumn and winter and we believe that as soon as our currency will be stabilized, the

possibility of import and export will also increase. Perhaps next autumn will bring as a better situation. The following goods were imported before the above mentioned pause of foreign trade:

"From Great Britain, copper, lead, zinc, rubber, cotton, fine stuffs.

"From the United States, copper, lead, zinc, rubber, cotton, benzine, petroleum. (Before the war besides these goods: all sort of tools, agricultural machines, typewriter machines.)

"From Italy, wool, textiles, all sorts of fruits, chemicals.

"From France, textiles, articles de luxe (as far as the import is allowed).

"From Germany, iron, coal, machines, chemicals, textiles.

"From Czecho-Slovakia, textiles, wood, porcelain and glass, sugar, coal.

"From Jugo-Slavia, wood and some provisions.

"From Roumania, wood, petroleum and benzine.

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"From Poland, petroleum, benzine and paraffine.

"Before the war credits were easily granted. During the war credits were suspended, but since the armistice our importers receive goods also in consignment and against credit granted for short and longer terms in several cases for nine months and even longer.

"Our exporters received satisfactory prices for their products, the cause of which circumstance is to be found in the generally very high price of foreign currency on our market. Since the last six or eight weeks the improvement of Hungarian crowns caused, as above mentioned, great difficulties as to the export of some articles.

"Our banks are granting to foreign trade many facilities as to credits and other banking transactions.

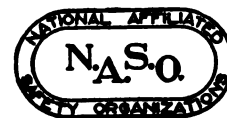
"The following industries have been extended or newly introduced in our country the last year: Producing of canned provisions, underlinen, collars, furniture."

#### BUILDING BAGDAD RAILWAY

A revival of the Bosphorus and Persian Gulf railway project is announced in the building of a road connecting Bagdad with Basra. This was to have been the easternmost link of the great German Berlin-to-Bagdad scheme, and the extension which was to carry German imperialism to the Persian Gulf and to the gates of the British Indian empire.

This link, however, in the original German project was the part of the assured she could have a master control and that the road would not be road which it seemed would be the last to be built. In the German scheme Koweit and not Basra was to be the eastern terminus of the road. The fact that there were indications that the Germans were preparing to make Koweit eventually a naval base caused a halt in the plans. A British company had control of the navigation of the Tigris and another British company sent the products of its Persian oil fields to ports at the head of the Gulf. Thus Great Britain was not inclined to permit the building of a railroad into this region without being a menace to her Eastern possessions. The war brought a solution to these questions. The main line of the road to Bagdad is completed only to Nisibin, 350 miles west of Bagdad, and the eastern extension will soon be in operation under British control.

Under these new conditions Bagdad is first linked up with the world, not from the west but from the east. The British are endeavoring to straighten out affairs in Mesopotamia,



## Safety Devices

### Of the National Affiliated Safety Organizations

**Comfort Safety Goggles**—To protect eyes against flying dust, metal chips or glare of light.

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**Leggings**—To protect foundrymen's legs against molten metal.

**Shoes**—To protect workmen's feet against molten metal.

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**Shaft Protector**—Spirally wound mailing tubes, to prevent injury to persons if their hair or clothing should catch on shafting.

The NASO Safety Devices were developed through the co-operation and at the expense of the associations comprising the National Affiliated Safety Organizations—the National Association of Manufacturers, 50 Church Street, New York City; the National Founders' Association, 29 LaSalle Street, Chicago; and the National Metal Trades Association, Peoples Gas Building, Chicago.

The NASO Devices are all sold at practically cost price, but any profits derived from sales are utilized for further research and development work along safety lines.

Information may be obtained from the Secretary of the National Founders' Association.



over which they have continued to exercise control since the war, through an authority vested in a Mesopotamian administration. This administration has already brought a security to life and a development of industries to Bagdad, and it aims at the completion of important irrigation projects undertaken before the war. The building of the road to Basra, as an outlet of the products of the Mesopotamian valley and an inlet for Western products would thus appear to be but a part of the development of this ancient region under British influences.

The most difficult parts of the main line of the Bagdad railroad have been finished; the tunnel through the Taurus mountains was completed soon af-

ter the beginning of the war and the Jerablus bridge over the Euphrates was built in 1915. The Turks used the road during the war as far as Nisibin, and from there carried supplies to Bagdad by motor and caravan. The completion of the new Basra link of 350 miles evidently awaits the final settlement of the fate of Constantinople and the adjustment of national interests in the near East. But it is as important to-day as it was before the war that the completed Bagdad railway, to fulfill its great purpose as a civilizing influence and as a link between the East and West, shall be not a political but a commercial and economical project.

## Mexico's Big Exposition

**P**REPARATIONS have been under way for several months, by the Mexican people and their Government, for the greatest celebration ever held by them, the Centennial National Celebration, commemorating the Hundredth Anniversary of Mexico's Independence from Spain.

Mexico City, the acknowledged center of social and business activities of the Republic, with its population of 18 million, will draw hundreds of thousands of visitors to take part with them in the festivities.

Streets, government and public buildings will be elaborately decorated, and the populace and visitors will enjoy the national event, occurring as it does, at a time when the country is again peaceful.

One of the features, of importance to the commercial world, will be the exposition held in the new \$5,000,000 National Legislative Palace, a handsome steel structure covering two city blocks, with 200,000 square feet available for American and Mexican exhibitors. One of the conditions stipulated by the Government of Mexico in proposing and sponsoring the exposition was that one-half of the space available should be allotted to representative manufacturers of the United States. It is considered a most opportune time for American manufacturers and exporters to exhibit their products to the hundreds of thousands of Mexican merchants and consumers who will be attracted especially to the Palace, by the social and business activities which the *Exposicion Comercial Internacional del Centenario* have planned for the Exposition Building and Gardens. A restaurant and cabaret with American entertainment and music, military bands, symphony orchestra

and dancing, together with a theater with seating capacity for 5,000 people, is assured to make this Exposition building a great success and of immense value to the exhibitors. Arrangements are being made also for the running of commercial movie films showing the method and process of manufacture employed by various American manufacturers.

Special express trains will be operated by the Mexican Government from the American border, to carry materials for exhibits, free of transportation charges, customs duties, consular fees and fully insured. Exhibits are required to be expressed before August 25, to duly appointed agents at Laredo or El Paso, Texas.

The exposition will be formally opened by President Obregon and prominent cabinet officials on September 12, and will close October 12.

### INCREASED CHINESE DUTIES

The Chinese Foreign Office in Pekin has notified the foreign legations that a ten per cent increase in the customs duties, to be applied to famine relief in the districts where millions of Chinese are hunger sufferers, would become effective January 16.

The proceeds, it was stated, would be dispersed by the Chinese Charities Board attached to the Ministry of the Interior.

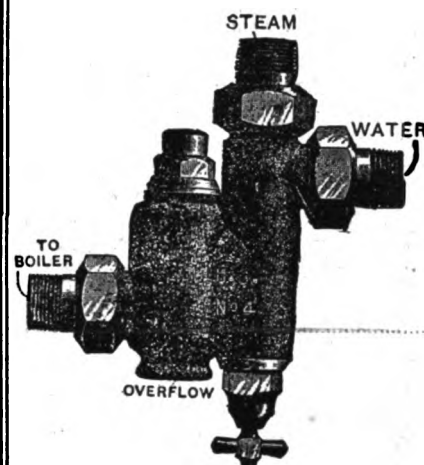
### SHOE FACTORIES WORKING

The Sherwood Shoe Company, of Rochester, has resumed activities with a capacity of 4,000 pairs a day, compared with a maximum of 6,000. Two thousand workers have been hired by shoe manufacturers in the city within a fortnight.

## THE U. S. Injector

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# Peru's First Centennial

**P**ERU this year celebrates its one hundred years of independence. A committee of the American Society of Peru, at Lima, which is made up exclusively of American citizens, resident in that country, has advised the National Association of Manufacturers that it has undertaken to raise a fund for the purpose of presenting an appropriate gift to the Peruvian people in commemoration of this first centennial. The committee says:

"Inasmuch as the Government of Peru has signally honored the country we represent by entrusting to a group of American educators the responsibility of putting into effect its new Law of Education the American colony in Lima deems it just and fitting to commemorate the celebration of the Centennial of Peruvian Independence by making a gift to Peru which will enable the Government to put into immediate operation a system of Traveling Libraries, designed not only to supplement the work of the schools of the Republic, but, in addition, to meet the need of those beyond school age in all parts of the country, as well as to provide suitable and needed books to societies, industrial and

mining plants and other institutions remote from the centers of population."

Of course, the size of the gift and its field of usefulness will depend on the subscriptions received. Other foreign colonies in Peru are subscribing liberally to present Peru with appropriate gifts on their part, the Italians having raised \$200,000 for an art museum, while the British are undertaking to provide an athletic field and stadium at a cost of \$80,000.

Important American enterprises doing business in Peru have subscribed amounts ranging from \$2,500 down to \$25. Those who may be interested in taking part in this movement may send subscriptions, payable to the order of the American Society of Peru and mail to J. C. Field, Treasurer, American Society of Peru, Calle Aldabas, Lima, Peru.

## TO ERECT SHOOK FACTORY

Parker, Lingo & Doncey will erect a \$20,000 crate, basket and box shook factory at Harbeson, Sussex County, Del. Employment will be given to about fifty men during the entire year.

## IN THE UNITED KINGDOM

Pending the receipt of complete surveys from correspondents in the United Kingdom, which are to be published in an additional article dealing with foreign trade conditions in one of the forthcoming issues of **AMERICAN INDUSTRIES**, it may be stated that reports so far received from the United Kingdom indicate a keen and methodical campaign on the part of the British Government and of British commerce to conquer additional foreign markets. At the time the questionnaires were being filled out by correspondents, the trade agreement with Soviet Russia was not yet signed, but the signature was impending. Practically all of Eastern Europe depends upon British capital and British manufactures. From Finland to Greece apparently the only foreign enterprises catering to local needs are British. This is true of Esthonia and Bulgaria, of Roumania and Latvia, etc.

At the same time, the United Kingdom has local problems of commercial and industrial character which may be regarded as echoes of the worldwide depression. Thus, transactions in so-called Manchester goods (cotton goods) have declined to a considerable extent.

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# The Detective In Modern Industry

*Scientific study and pursuit of the organized bands of criminals  
is as necessary as the thorough diagnosis and treatment of disease—  
Robberies committed on transit lines average \$106,000,000 a year*

*Written especially for AMERICAN INDUSTRIES*

By **WILLIAM J. BURNS**  
Chief, United States Secret Service

**T**O understand the rôle the modern detective is called upon to play in the great industrial field, one must first have an acquaintance with the various stages of crime which are prevalent. As the playwrights are working out new themes with unique and fantastic plots, so are the master minds among the criminal element devising new and novel methods of attack upon industry.

The successful detective therefore, like the popular actor, must be able to adjust himself to the ever-changing rôle.

The criminals with which industry is contending might be divided into two classes.

The better organized class represents the confirmed professional crooks who devise plans of attack on the various lines of transit, warehouses, depots, piers, etc., either by means of deliberate holdup and robbery, or by planting members of their gang on the inside, meaning on the payroll of manufacturers, merchants, transportation companies, warehouses, docks, freight yards, offices, etc. These men, including clerks, watchmen, laborers, drivers and skilled workmen, serve two purposes. They recruit new candidates by means of propaganda, making use of these converts later on; or they work quietly and alone, gathering information about the time of shipment, the route, the destination and value of attractive merchandise; this information finding its way to the

headquarters of the gang of crooks.

A glance at the figures showing the approximate losses through theft and pilferage of merchandise in transit, not



William J. Burns

mentioning the losses resulting from the numerous daring holdups and robberies, indicates to what extent industry as been placed on the defensive against the onslaught of these criminal bands.

The figures available, giving a yearly average since the close of the World War, reveal losses through theft and pilferage, occurring along the lines of transit, to the extent of approximately \$106,000,000. Of this amount the railroads' share is

probably 35 per cent; the express companies' about 20 per cent; losses on trucks, 12 per cent; losses on steamships, lighters, piers and floats, 35 per cent; the remaining 4 per cent being charged to miscellaneous.

While this represents an average yearly loss to American industries, there have been periods when the activities of these thieves were directed more particularly against certain carriers and where a certain line of merchandise received their special attention, alternating between the more valuable commodities, presumably to suit the market.

Speaking of the market for stolen goods, it is a subject in which the shipping public and in fact the public in general is much interested. It should be apparent to anyone who has had the opportunity to analyze the situation, that the system created by the leaders of the bands of crooks, or if you will, the master minds for marketing the stolen goods, is the crux of their enterprise. A system it is and a system it will remain, becoming more intricate, more efficient as the months pass by, unless organized effort is focused with the one object of destroying it. Destroy the market! That is it, but right here we encounter—difficulties; a maze, a labyrinth of lanes appears.

Returning to the subject, "The Detective in Modern Industry," let us say that if the market place is to be located, it will no doubt be modern, estab-

lished by modern crooks and the detective assigned to trace the stolen goods to the point where they are finally disposed of, must use modern methods.

The essential qualifications of the detective who has wormed his way into the inner circle where the administrative work is carried on by the thieves might be summed up as follows: confidence that comes from experience and a record of many efforts that have been crowned with success; the character that keep self-esteem and duty ever in the foreground; courage and fearlessness, tempered with caution. Back of these is training; a knowledge of when and how to use each working tool. He must fit into the environment; adjusting himself easily, smoothly and oftentimes rapidly to each new phase that presents itself. The closer he gets to the administrative staff of the crooks' headquarters, the more initiative he must exert, suggesting new and bolder methods of attack. This is not only essential to cover the investigator, but to impress his associates with his sincerity and his value to them. To know the psychology, habits and characteristics of criminals is essentially a part of the modern detective's equipment, as he must fraternize with them and therefore cannot afford to fumble his part.

The more remunerative the criminals' enterprise the more jealously do they guard it. When the detective finds the trail getting warm he must depend upon mental notes altogether, for clever as he might be in assuring his associates of his loyalty, the crooks take nothing for granted and invariably a trusted sleuth is assigned by the gang to trail him, sometimes for a period of weeks. Under such conditions it is readily understood with what difficulty the detective gets his reports to his headquarters.

Among the workers along the waterfront are hundreds of men with criminal records. Their appraisal of a human life is not very high especially when their own liberty is threatened. The detective must work and live with these criminals if he is to make any progress. Many of the younger crooks ship aboard vessels carrying a general cargo. Their ingenious methods of getting the goods over the side of vessels while making port calls would be worthy of admiration were it not a criminal act.

Here again is the marketing system, although the profits are smaller at foreign ports and it is usually a side line compared to the system at the great American ports, narrowing down to the collusion of a few, including sometimes the officers of the ship. The position of the detective on board ship while not attended with the same degree of peril could easily become so,

were he to become the target of suspicion.

Perhaps nowhere does so much collusion exist between employes and the organized bands of thieves as on the railroads; the express companies linked up as they are, take second place. It is not because their employes are of a lower standard but rather because the opportunities are greater for the thieves to reach them. The avenues of escape are manifold; bribery plays its part; long freight yards that are difficult to patrol; lighters that are often open to approach by harbor thieves who convey the loot to unprotected landing places and are met by confederates with motor truck, or convey the merchandise up the rivers in motor boats and dispose of it to small merchants or to their own warehouse.

**The collusion that exists at the present alarming degree enables the thieves to select the best, receiving, as they do, information in advance as to the destination and the character of merchandise that is to be shipped. It is therefore only by utmost pains and skill that detection is made possible.**

Citing an instance which occurred on one of the railroads: a heavy shipment of silk was consigned to a city within a hundred miles of New York and as the train carrying this shipment neared a certain point along the road, the conductor gave the signal to slow down having apparently been "fixed." Immediately the major portion of the silk was rolled out of the car down the embankment and was picked up by thieves in waiting, supplied with motor trucks. On this occasion, however, a detective on another train immediately behind saved the day. Having noticed the loading of trucks as they came along in the wake of the first train he got word to the authorities and the thieves were captured.

The second class of criminals includes the type of men and women who steal from their employer and make a practice of carrying away from the factory, store or loft, as much merchandise as they can conveniently conceal about their person. This class also includes such employes who lend themselves to the crooks on the outside by either supplying them with information that they require or smuggling out goods for which only a fraction of the real value is paid. This element has some of the characteristics of the criminal, their growth and progress being limited by the lack of opportunity and the courage they possess.

Real criminals are not made overnight and while the carelessly guarded factory, store or any other place where attractive merchandise is in evidence becomes the incubator that must ultimately hatch out real criminals or

crooks, it must not be forgotten that only a small percentage of these have the natural ability to ever become leaders in crime.

While there is no way of determining the extent of losses to industry through these petty thefts, it is without doubt enormous in the aggregate. If these employes were to steal only such articles as they could appropriate to their individual use, the drain would not be so heavy. Perhaps one of the worst features about the existence of petty larcenies in industrial plants and commercial houses is the corrupt influence that seeps into that percentage of the personnel that could by the application of proper preventative measures be kept free from the taint. The effect upon society is apparent when it is considered that in the larger cities where are located factories that turn out expensive products, easy to manipulate and where hundreds of girls are employed, there are gangs of young loafers whose education and attainments have been acquired at the street corners. These young rowdies, mostly of foreign birth or extraction, despising work, make the acquaintance of girls who work in the plants and live solely from the proceeds of the loot the girls carry out to them. This particular situation has been somewhat pronounced in the factories where cigarettes are made.

Where efficient management exists among the more progressive concerns, these practices are being systematically checked by the introduction of preventative measures. Efficient management that has long concerned itself about the elimination of waste, lost motion, modern power plants, modern cost accounting systems, etc., is now casting about for the most economic means of raising the moral standard of their personnel.

Efficient management views its own organization as the modern medical expert views a malady that has taken a heavy toll in human lives. The medical experts having diagnosed the cases before them, do not wait for a re-occurrence of the epidemic, but seek at once a serum that will render people immune against the disease. Some of the larger manufacturers even go further than this. They strive to keep every part of their factory sterile by being on the lookout for that rapidly growing germ which breeds disloyalty, dishonesty and strife. The scientific means by which these early symptoms are discerned, are known to the detective who specializes in industrial problems of a modern character. The analogy between the serum prepared by the medical expert to prevent the disease and the recommendations as to preventative measures made by the specialist in crime upon the conclusion of



the investigation, distinguishes the policy adopted by modern industry from that of the followers of traditional lethargy.

I have previously outlined the delicate position in which an investigator finds himself in running down the crooks who infest the transportation lines. There is this difference about the work that confronts the detective in a plant. The danger to his life is almost nil, but his usefulness is also nil unless he covers himself at every turn, for where dishonesty abides, there lurks also a vigilance born of fear and suspicion. A new arrival amid the circle, unless he bears an unmistakable, indifferent and unprofessional mien, would be the object of too much

interest to have an opportunity of observing, to say nothing of fraternizing with his fellow workers. Under such a handicap it might require an undue period to get satisfactory results, thereby discouraging the management from making further efforts.

At the point where the detective is seeking employment with the objective firm, there are often many difficulties to be overcome, especially where it is desirable that but one official be cognizant of the arrangement. It is essential that the detective be employed at the plant in the most regular manner. That suspicion may be avoided, there must be reasonable justification for the addition to the department in view, that is, it should be sufficiently busy to

warrant an extra hand. Having been entered on the payroll, the regular wage being observed, the successful detective of either sex becomes to all outward appearances the most disinterested and unassuming person imaginable.

I have drawn the line between these two classes of criminals in order that their methods of operating might not be confused. The situation finally resolves itself into one truth: it must be met face to face and that is that only honest, reliable, efficient detectives, moving among the seething mass of criminals, can reveal to industry the methods by which it can protect itself until such time as civilization has advanced to that stage where the golden rule becomes the slogan universal.

# Motorizing Our Philippine Isles

*Introduction of the American automobile has developed a wide and economic system of transportation without railroads, improved civilization and even humanized heretofore savage tribes*

*Written especially for AMERICAN INDUSTRIES*

By JOHN A. HAESELER

THE Philippine Islands, that young and sturdy member of the family of the United States, has proved within the last few years the fallacy of the old saying, "development awaits the railroads." For the archipelago has ceased to wait for steel rails and locomotives, and has taken upon itself the task of developing the country on a system of gasoline transportation that is proving effective, economical and wondrously popular. The country is forging ahead just as successfully as if it had had a network of railroad lines installed for years.

Good roads and automobiles are now supplying practically every service in the islands which it was thought heretofore the railroads alone could furnish. Transportation by water has assumed such proportions that the few miles of railroad cannot compete with the newer mode. Automobiles and mo-

tor trucks are everywhere, and as the fine boulevards are being extended rapidly into all sections and corners of the islands, the gasoline vehicle has gone along with them. Tractors, too, are assuming their proper place in the country's development; but they have made their appearance practically within the last two years. Their future is still ahead of them; but it is a certain and great future.

And all of these changes have been comparatively recent. Modern road

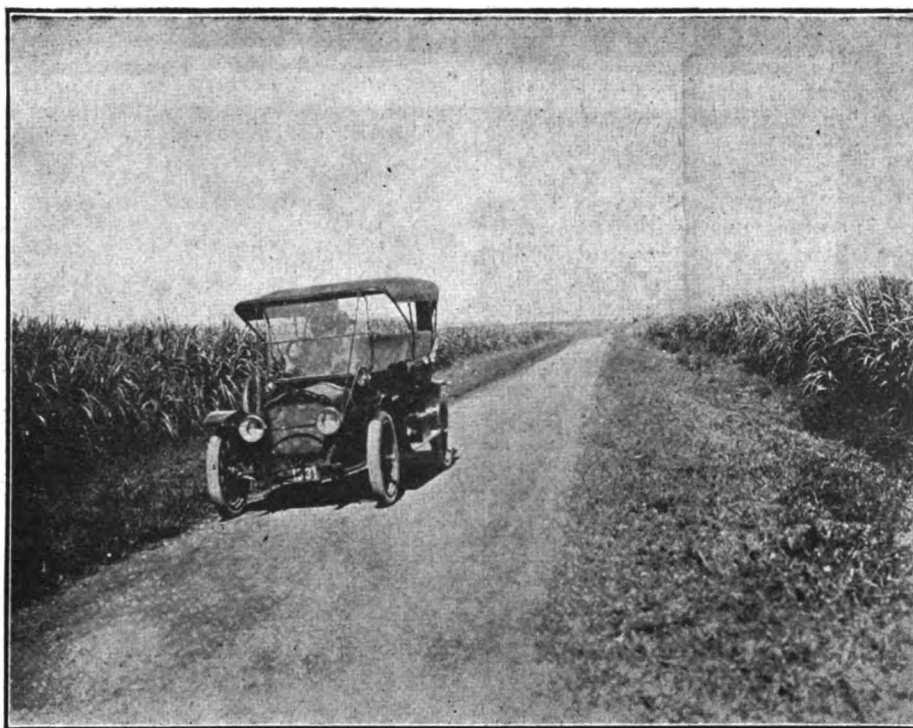
building in the Philippines started soon after the American occupation; since that time the finest system of roads in the Orient has been under construction and a great part of it has been completed.

Motor truck transportation really started about the year 1912, and the problems that had to be overcome were far greater than the present volume of gasoline traffic would lead one to imagine. In the first place, it took incessant resolve and pounding to overcome the natural superstition

of the Filipinos. The evolution was long and slow. The natives' methods of transportation were the ancient ones that had been in use in the archipelago and China for centuries. The old carabao with his snail-like pace had been considered the only proper and sure mode of travel and the people were reluctant to abandon their faithful steed. If goods were to be transported from



Ten years ago there wasn't one—now look at 'em



Improved straight away stretch

one island to another or along a river or lake, small bancas (dug-out canoes) and sailing vintas were used. The carabao was practically the only tractor in the islands.

When the motor stages and motor trucks were first put into service, many of them were compelled to run up and down the roads for months, practically empty and losing money on every trip. Seldom could more than one or two passengers be inveigled to ride. Then came the American, just out of the army. He turned to the motor bus and truck; some of the natives followed, but the latter could not stick out the first repulses in business and generally failed. But eventually, the Yankee driver and truckman demonstrated the practical benefits and services that could be rendered. Then the natives took it up in greater numbers. Motor cars and motor trucks were employed in passenger and freight service, and by leaps and bounds the number in the islands increased and truck lines were established wherever there were good roads.

And as good roads and motors revolutionized transportation, they absolutely transformed the personal life of nearly every Filipino.

In the olden days the natives had nothing to do but lag around their little nipa shacks day after day, week after week and month after month, or work for some big landowner as peons. They virtually were slaves and had nothing more to look forward to. If they happened to be independent they would live in their isolated villages, never able to move away from

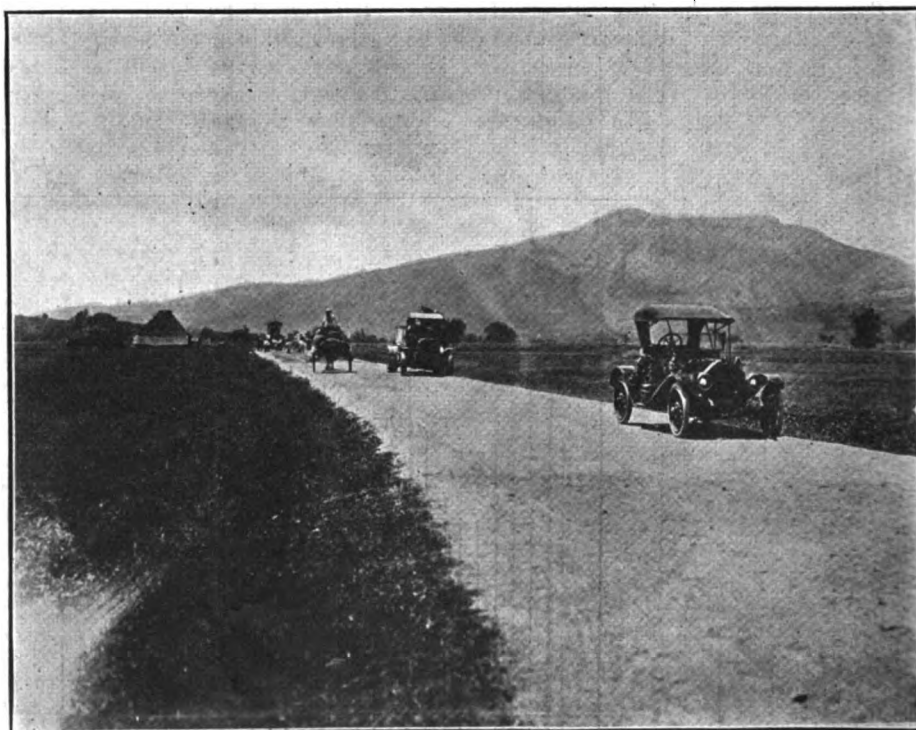
them, and never able to sell their labor or to market their produce. Consequently ambition ceased when the family was fed. A few banana trees and a little rice that could be grown on a small plot of ground were sufficient. This required practically no effort and the rest of the time was spent in idleness.

Now, however, the Filipino leads a different life. Peonage has been practically wiped out. Many fertile lands have been opened to colonization and

the natives may all become independent if they choose. Each one knows of a ready market in the neighboring village for even the smallest quantity of his products. He also knows that the Chinese merchants who control nearly all the retail trade of the Islands have many things in their stores which will add to the family's comfort and pleasure.

Now he steps out on the road with his bag of copra or bundle of hemp in his arms and hails the first stage that comes along. He shoves his baggage up ahead of him and climbs on. Other passengers are picked up with their loads and soon the truck becomes a weird pile of men, old women, children, bundles of hemp, sacks of copra, strings of fish, etc. These are all unloaded in the center of a village. The native will probably take his load to the Chinese merchant and bargain with him and then buy any of a great number of foreign articles from clocks to highly colored neckties. An old man and woman who were fellow passengers of his, will take the garden produce they brought with them and spread it out on a counter in the public market, together with their neighbors, smelly fish, half-cleaned chickens, delicious mangoes and papayas, and set up a temporary store for a day. The old woman will wander about and visit her friends, while the old man may attend a cock-fight when she returns.

Considerable ingenuity has been exercised in arranging the various methods of transportation and the systems of fares. The main idea is



Transportation old and new ways

to get as many people or as much produce on a truck or stage as possible. The comfort of the passengers is a small consideration. Whenever or wherever one more person can be tucked in, there is so much gained. The methods vary in different parts of the Islands, but in many cases the trucks are combination freight and passenger carriers. They take a



Slow but sure going

small amount of freight, and as many passengers as can be crowded in. An elaborate system of fares necessarily had to be worked out. One picul of copra weighing about 133 pounds brings about thirty centavos (15 cents) for about ten miles. The passenger is charged his regular fare and all bags and bundles are charged for extra according to their nature, size and weight and the distance to be carried. The average fare in the Islands is about  $2\frac{1}{2}$  cents a mile although this varies in different districts depending upon whether they are thickly or sparsely settled and the amount of competition.

Rates are usually in accordance with what the traffic will bear and since the Filipinos are Orientals they are, according to western standards, quite universally a poor people. But they have much more buying power than the Chinese. The margin of profit is generally small and the amount of traffic is usually expected to make up for it. Although gasoline is usually sold for about forty or

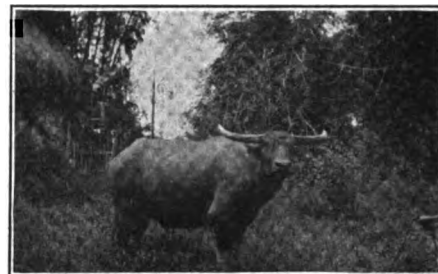


Through a Coconut Grove

fifty cents, Fords are rented in Zamboanga, one of the farthest points from Manila, for three pesos (\$1.50) an hour. One great saving is in the wages of the Filipino chauffeurs, drivers and conductors of the stages. Since many of them are very fond of driving automobiles, they can be hired quite cheaply in comparison with wages in the United States—about two pesos or so a day.

The hardest problem in all the establishment of the stage lines was to get the conductors to turn in the money they received. In most cases the employees remitted whatever they thought was not safe to keep. Various checks were invented to stop this, but

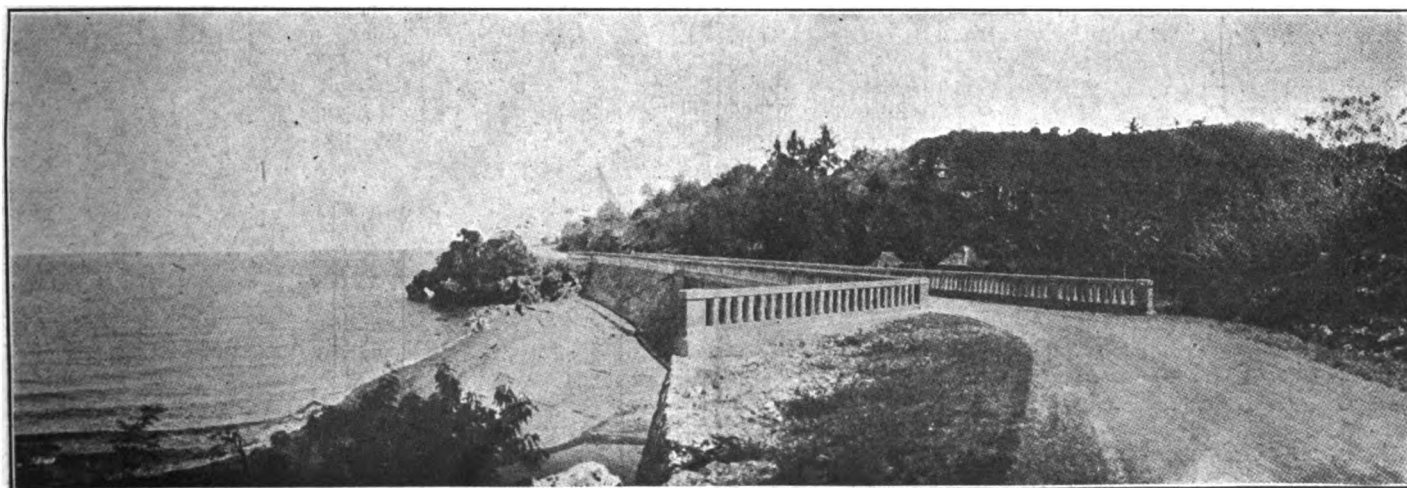
only about two years ago an effective system was devised to enforce honesty on the part of the conductors. And in this the Oriental nature of the Filipino citizens was appealed to on its most susceptible side. The tickets have on them figures showing the distance traveled, a list of the commodities usually carried and the weight together with the passenger fare. The



His hardest days are over

conductor is required to punch this ticket in detail and give the passenger a duplicate. The tickets are numbered and at the end of each month a lottery is held and the holder of the duplicate to the lucky numbers receives a prize; usually thirty pesos (\$15) for the first, twenty pesos for the second and ten for the third. Since the winner will forfeit the prize if his ticket is not correctly punched each individual demands honesty on the part of the conductor.

The only things that are allowed to ride free of charge on the Filipino stages are the fighting cocks. The companies figure that this is a large incentive to business, for on Sundays and holidays the trucks are a gay array of highly colored *camisas* (shirts) of the old Filipino *taos*, each proudly bearing his favorite fighting cock in his arms as he makes his way toward the village cock-pit which is covered by a great roof in nipa palms. Here his cock will fight some other, probably with knives three inches long fastened to his legs. There will be



Along the prized Shore boulevard





Climbing hills along the Benguet Road

much betting and a glorious time will be had by all.

There is a great deal of mountainous territory on the Island of Luzon and a large section in the interior of Mindanao on which there are no roads but, besides these and a few unimportant areas, all of the Philippines are served by adequate transportation. There are several truck lines running out of Manila to the surrounding provinces and even extending to both ends of this large Island. On Leyte, one of the large central islands, there are about forty miles of highway. Seventy-five trucks are operated over it. Cebu, another important and well-developed island of the large central group, probably has a better system of roads than any other, there being over a hundred miles of first class road in all. A large number of stage lines operate over this. The Island of Panay, west of Cebu, was very late in taking up motor transportation and several years after truck lines were in operation on many other islands there were only two automobiles in Iloilo. Now, however, its roads are covered with motor cars and trucks.

The transportation of the larger freight by motors has not been taken over as completely as the carrying of passengers and small freight. There are very few large freight carrying trucks running on schedule. These are usually kept by the companies and hired out to merchants and contractors by the trip, certain rates being charged for the carrying of different loads over different distances. The old carabao is still used to quite an extent to carry great loads to market on his squeaking cart, but his place is being rapidly usurped and it is hardly expected that he will form any factor in the freight carrying in a few years.

On the whole it has been demonstrated that in the way of trucks the heavy ones have been more successful than the light ones. It takes a long time to get repairs in the Philippines and those trucks that have the fewest breakdowns are the ones most desired. Though the initial cost is much greater the operating cost is not so much more and since there are fewer times in which they can not be used they have proved more economical. Many of the stages are made of medium sized cars with truck bodies or

with bodies improvised in the Philippines. They are made to carry from twenty to thirty passengers by board seats being placed across them. Regular five-passenger touring cars are made to accommodate seven or eight people by a board being placed across the tonneau in front of the rear seat, so that two or three can sit on it.

One of the queerest experiences in the introduction of motor transportation to the Filipino people was encountered on the Island of Jolo in the Sulu Archipelago. This is in the most southern part of the Philippines and is famous as being the residence of the Sultan of Sulu, who had ruled for centuries over 350,000 Mohammedans, whom the Spanish during their long reign were unable to conquer. It was only after about fourteen years of American occupation of the Islands that we were able to bring them to peace and eight years ago there was not a road on the Island of Jolo. No Moro did very much traveling because he was probably afraid of a hostile tribe which inhabited the land next to his own.

Several years ago Mr. Henry Frank, who was operating a small motor service on the Island of Mindanao a hundred miles away, took an automobile to Jolo. He asked the Governor and Secretary out for a ride, but when they were a few kilometers from the city they made him turn back because it was dangerous for



A beautiful section of the Benguet Road



foreigners to go any further into the country. Mr. Frank was much interested in the situation from both a social and a commercial standpoint. There was a rolling plain in the center of the island and Mr. Frank put a truck in operation over it. When the children first saw it coming they ran into the sticks, as the bamboo is called, or around the houses, frightened by the strange and noisy demon. As time passed, however, the children came out by the roadside and stood as near to the automobile as possible, dis-

playing all the bravado suitable to the occasion. From that stage it was not very long before the children and then the old Moros began to stop the truck and climb onto it for a ride.

#### Good Road Across the Island

Now it is the accepted and proper thing to ride to town in the stage and those who do not are scorned. There are good roads now from one side of the island to the other and Mr. Frank's company has ten trucks and ten automobiles in operation over

them. These furnish the only form of transportation in the island for the carabao carts have been entirely replaced. Moreover, the Moro in traveling has mingled with his brothers, talked to them and to his surprise found some unexpected good in them which he could never distinguish before when they had looked at each other only over long spears. As a consequence motor transportation has had its humanizing effect and it is now possible to go all over the island in safety.

# The Division Of Commercial Laws

*Chief of the new organization in the Bureau of Foreign and Domestic Commerce, outlines for the readers of American Industries, the plans and possibilities of this much-needed service*

*Written especially for AMERICAN INDUSTRIES*

By ARCHIBALD J. WOLFE

Chief, Division of Commercial Laws, Bureau of Foreign and Domestic Commerce

IT is a thoroughly American conception to regard business as a game, the greatest of all games. The simile is a very happy one in one particular, namely that in order to be successful one must know the rules of the game. And the rules are frequently complicated and puzzling, for they vary in many localities.

It would seem that one of the first things before attempting to do business in any place is to learn the conditions under which business can be done there. The merchant at home complies with the legal regulations of his home state almost automatically and without considering it a hardship. If he wishes to incorporate his business, or to operate an enterprise for which specific Federal, state or municipal regulations have been provided, he acquaints himself with these regulations, complies with them and carries on his legitimate business, within the scope outlined by law, unmolested.

Precisely the same situation confronts the merchant attempting to do business abroad. Regulations of all sorts must be complied with. Some of these regulations govern externals, such as packing certain goods in a certain manner, declaring their invoice value in accordance with prescribed forms, proper designations of merchandise in consular invoices, and these regulations are in the nature of the application of customs laws. But there are many regulations which properly fall into the domain of the commercial law—such as those defining the status

of alien merchants and their agents, etc. These regulations are manifold and frequently confusing. They need not deter a merchant, however, from embarking in foreign business. There exists in international trading with but few exceptions an essential freedom of trading side by side with legislation governing the methods of exercising this freedom. It is only a question of being informed regarding such legislation.

It is in response to the widely expressed need of a central and authoritative information service relative to foreign legislation regulating commerce and to the application of foreign commercial laws to the exigencies of American trade with foreign countries, that a Division of Commercial Laws has been created in the Bureau of Foreign and Domestic Commerce, although for a long time past the various geographic divisions of the Bureau have been giving much attention to the legal problems submitted to it by American firms.

In the newly organized Division of Commercial Laws of the Bureau of Foreign and Domestic Commerce will be henceforth centered the service of information on commercial laws of foreign countries and on their application. This service is intended to be of practical use to American firms and to their counsel. It will in no way seek either to supersede the law department or the legal adviser of any American corporation or firm, but on the contrary it will seek to cooperate with the counsel

and to supply him with technical data which a layman may be unable to utilize without his assistance. In this respect there occurs to me another simile—that of a drug store which keeps a stock of medicines and chemicals, compounds them to a doctor's prescriptions but does not undertake to treat ailments. The Division of Commercial Laws will render no legal opinions, though where possible, from the experience of its staff, on consultation with other divisions, with the Bureau's representatives at home and abroad and with specialists in the United States and in foreign countries, it will endeavor to assist American firms with practical advice in dealing with specific problems.

Before undertaking to cultivate business with foreign countries on a scale necessitating the appointment of a representative with a power of attorney, the establishment of a branch office, or the incorporation of some type of company under foreign charter, American manufacturers and exporters should give a thorough consideration first to the general international law as relating to rights of persons, natural and artificial—the latter meaning corporations, etc., and to various local laws governing the status of alien merchants. International law, unfortunately, is as yet far from an exact science. Inasmuch as it deals with conflicts in what is known in Europe as civil law, as well as with conflicts in procedure affecting litigation by aliens and non-residents in local courts, and with their

participation in local insolvency proceedings, and many other matters, it will become increasingly important in international commerce. Many matters arising in this connection are dealt with under certain generally observed principles of international comity. Such principles prevail, for instance, in an interesting case, one of the first the Division had to deal with, of the method to be pursued in securing the deposition of witnesses in a foreign country for use in litigation between parties to a suit in one of the local American courts.

There has been a tendency in recent years to establish substantial uniformity of rules and laws affecting many phases of commercial intercourse—postal laws, patents and trade-mark regulations, copyrights, etc. And it may be that in the course of time the international status of corporations will be to some extent regulated by international agreements.

Custom in most countries grants to alien merchants the right to pursue trade and industry the same as natives. In some countries this right is guaranteed expressly in the commercial code, in others there are a few exemptions. But the conduct of the business is subject in many countries to manifold regulations with regard to registration before certain tribunals, with regard to the payment of taxes, with regard to keeping books in a certain language, etc.

The Division of Commercial Laws will tabulate these requirements; it will gradually accumulate a library of foreign codes, and it will be apprized of changes in foreign commercial laws as they occur.

A service which will be of considerable value will be the furnishing of names of competent attorneys abroad, principally those equipped by experience to give proper attention to American interests. These names will be secured through the recommendation of the connections of the Bureau of Foreign and Domestic Commerce, but naturally and necessarily names will be given without the assumption of any responsibility or guarantee on the part of the Bureau.

A number of developments due to the growth of American foreign commerce and the variety of problems arising from it will be carefully followed by the Division of Commercial Laws. Among these one of the most important is the growing practice of including arbitration clauses in sales contracts. Modern commercial authorities strongly favor the adoption of what is somewhat inaccurately termed a "compulsory" arbitration clause, which is, in effect, an irrevocable arbitration clause, meaning that where two parties agree to submit possible dis-

putes to arbitration, neither can, without the consent of the other, cancel the clause.

The Division of Commercial Laws will deal with all inquiries from American concerns on subjects falling directly into the scope of commercial laws of foreign countries. The information received by it, if of general interest to American business houses, will be published in the official publications of the Bureau of Foreign and Domestic Commerce. It is intended to compile special reports dealing with certain topics, such as possibly the preparation of powers of attorney for various countries, incorporation and taxation legislation, bankruptcy laws of the

world and the like.

A general questionnaire prepared from the point of view of the needs of American commerce for specific law information in each given territory will be submitted to the connections of the Bureau throughout the world, and is expected to yield data of great practical value.

It will be readily seen that the scope outlined for the new Division is a very wide one, and its usefulness will largely depend upon the extent to which American firms will avail themselves of its services. It will endeavor to develop into a serviceable unit of the Bureau of Foreign and Domestic Commerce.

## An Unemployment Conference

**P**RESIDENT HARDING is to hold a National Conference on Unemployment at Washington soon, according to an announcement made by Herbert Hoover, Secretary of Commerce. The Government, employer and employe, will all be represented at the meeting. While the primary object of the conference is unemployment, a general study of conditions which contribute directly or indirectly to unemployment and economic questions will be involved.

In making the announcement Mr. Hoover said:

"The President has decided to call a national conference at Washington on unemployment and has instructed the Department of Commerce to formulate the plans for it. Its personnel will be made up so as to represent the country geographically and so far as possible to embrace representatives of the greater employment industries. The Department of Commerce will coöperate with the Department of Labor on representation of labor.

"It is desired for working reasons to keep the number of the conference as small as possible. It is intended to invite representatives of the greater groups of industries and thought, and the coöperation of their national organizations will be sought in their selection.

"The object of the conference will be to inquire into the volume of needed employment, the distribution of unemployment, to make recommendations as to measures that can properly be taken in coöordinated speeding up of employment by industries and public bodies during the next winter, and in addition a broad study of the economic measures desirable to ameliorate the unemployment situation and give impulse to the recovery of busi-

ness and commerce to normal. Many constructive suggestions have been made to the department by employers, the governors of states and city officials.

"While the business situation is steadily improving, yet some sections of the workers may have exhausted their savings by the coming winter, and they must be a matter of extreme solicitude.

"It is inconceivable that America, with its surplus in food and clothing, with housing—though crowded—and with an abundance of fuel, could allow any suffering among those of our own people who desire to work. It is necessary that we should be forehanded in the preparation of such measures as will prevent any such suffering.

"It is expected that the full plan of the conference will be ready for the President within about ten days."

The Department of Commerce, by means of a series of conferences, has been engaged for some time in an intimate study of the industrial situation and export trade. Representatives of a number of industries have been called to Washington from time to time and much information which should prove of great value in connection with the conference on unemployment already is available.

### NINETY-MILE GAS LINE

The Producers and Refiners Corporation and the Midwest Refining Company have made a contract, under which they will construct jointly a 12-inch gas line from the Ferris, Mahoney and Wertz fields, Wyoming, a distance of about ninety miles. The Midwest Company has agreed to purchase from the Producers Corporation a minimum of 30,000,000 cubic feet of gas a day for ten years.

# What American Valuation Means

*Every manufacturer and every working man and woman is directly affected by the present tariff law and lawmakers are seeking to counteract the handicap of low foreign money values*

Written especially for AMERICAN INDUSTRIES

By J. F. ZOLLER

THERE appears to be considerable misunderstanding as to just what the American valuation plan in the new Fordney tariff bill means. To enlighten the manufacturer, as well as the public in general, this explanation has been prepared.

To begin with I might say that tariff duties are either specific or *ad valorem*. Specific duties are based upon quantity—that is, so much per pound, yard, cubic content, etc. There is no great difficulty in determining the amount of any specific duty. It is not practical, however, to attempt to impose all duties without regard to value, because a certain specific duty might be too low on a given quantity of merchandise having a high value, whereas it might be too high on the same quantity of merchandise having a low value.

## Other Duties Imposed

It is therefore necessary in addition to specific duties to impose duties with reference to value. These duties are known as *ad valorem* duties. To the present time *ad valorem* duties in the United States have been imposed generally upon the value of the imported merchandise in the foreign country from which they came, at the date of exportation to this country, such foreign values being determined by converting the foreign money representing such value into United States money at the prevailing rates of exchange. It follows that the amount of any *ad valorem* duty imposed under present and past laws depends upon:

1. The rate of duty.
2. The foreign value in foreign money.
3. The value of the foreign money in United States money.

Following is a table showing the value of moneys of Great Britain, France, Germany and Japan in United States money both during pre-war days and the present time:

Country	Value of Standard in United States money, July 1, 1914	Value in United States money, July 1, 1921
Britain (£)	\$4.88	\$3.73
France (fr)	\$0.194	\$0.08
Germany (m)	\$0.238	\$0.013
Japan (y)	\$0.501	\$0.481

From this table it will be noted that foreign monies as measured by United States money have much depreciated since the World War. This change in value of foreign monies has a direct effect upon the amount of duty collected under any *ad valorem* duty where it is based upon foreign value. Take any article produced in all of said countries and imported into this country to be sold in competition with a similar article manufactured here. Let us assume that the rate of *ad valorem* duty on said article to be 33⅓ per cent. The value of said article in foreign money and in United States money in 1914 and 1921 would be as follows:

Country		Value in U. S. 1914	Value in U. S. 1921
Britain (£)	10	\$48.80	\$37.30
France (fr)	250	\$48.50	\$20.00
Germany (m)	150	\$35.70	\$1.95
Japan (y)	49	\$24.55	\$23.57

## Ad Valorem Duties Decreased

The *ad valorem* duty is based upon the foreign money representing the foreign value converted into United States money so the amount of duty paid upon said article upon its importation from each of said countries before the war, and at present, would be as follows:

Country	July 1, 1914 88 1/8% duty amounts to	July 1, 1921 88 1/8% duty amounts to
Britain	\$16.26	\$12.43
France	\$16.16	\$6.66
Germany	\$11.90	\$0.65
Japan	\$8.18	\$7.85

It should be noted from the foregoing tables that where *ad valorem* duties are imposed upon foreign values, as at present, the amount of duty decreases in direct proportion to the decrease in the value of the foreign currency as compared with the value of the currency of the United States. This means that the manufacturer gets the least protection against that country whose currency is the most deflated. The greater the deflation in currency the less the duty and consequently the less protection afforded the manufacturer of this country.

There is no way to provide against this automatic reduction in duty due to deflation of foreign currency if *ad valorem* duties are based upon foreign values measured in terms of foreign monies converted into United States

currency as under our present law. Any rate of *ad valorem* duty adequate at the time of its adoption might become entirely inadequate due to deflation of the foreign currency. On the other hand, any fair rate of *ad valorem* duty might become prohibitive should the foreign currency become sufficiently inflated as compared with the value of United States money. It follows that there is no way of imposing a stable and systematic *ad valorem* duty based upon foreign value measured in terms of foreign currency converted into United States money.

From the foregoing tables it will also be noted that (a) merchandise from those countries whose cost of production is the lowest and whose profits, therefore, the highest is subjected to the smallest tax because of the duty and that (b) the merchandise from those countries whose currency is the most deflated also is subjected to the lowest tax or duty.

## American Valuation Plan

In the pending revenue bill it is proposed, in the imposition of *ad valorem* duties, to substitute American Valuation for Foreign Valuation. Section 402 of the pending bill provides:

"Value \* \* \* shall mean the price on the date of exportation of the imported merchandise at which comparable and competitive products of the United States were ordinarily sold or freely offered for sale in the usual wholesale quantities \* \* \* to all purchasers in the ordinary course of trade \* \* \* in the principal market or markets of the United States; or, when such value cannot be ascertained to the satisfaction of the appraising officer, shall mean the value of the imported merchandise on said date for sale (whether or not there shall be an actual sale), for consumption or use in the United States \* \* \*. In determining the value for sale, appraising officers may take into consideration, among other matters, the selling price or cost of production of comparable products of the United States and of articles made therefrom or from like imported materials, not sold in usual wholesale quantities or not sold or freely offered for sale to all purchasers in the ordinary course of trade, or not sold at all, and the selling price in the United States of comparable imports, or the

selling price or market value or cost of production of the imported merchandise in the foreign country, and may exclude or include all or any costs, charges, and expenses, including duties, and also profits and commissions, if any, keeping always in mind the legislative intention that duties *ad valorem* shall be assessed upon the fair market value of the imported merchandise in the United States."

Under American valuation as contradistinguished from foreign valuation, the duty would not fluctuate because of either deflation or inflation of foreign currency. It would only fluctuate in direct proportion to the fluctuation of the American value of American merchandise and would at all times be adequate to protect and stimulate the production and distribution of American-made goods.

#### No Change in Amount of Duty

American Valuation does not mean either a higher or lower duty upon imported merchandise. The amount of any *ad valorem* duty depends upon (a) the rate of duty and (b) the assessed value of the merchandise upon which the rate is applied. The American value of goods here being greater than the foreign value of similar goods abroad, due to the difference in cost of production, it follows that if a certain duty is to be realized the rate would be less if based upon American value than it would be if based on foreign value. This matter has been carefully considered and worked out in the pending bill. The rates there are based upon American value. If the duty imposed is too high or too low in any particular instance it is not because of the substitution of American value but because the proper rate has not been applied. If the proper rates have been applied there can be no intelligent criticism of the bill, so far as the amount of *ad valorem* duties imposed is concerned.

Under the American Valuation plan merchandise imported from countries whose production costs are low are subjected to the same *ad valorem* duties as similar merchandise from other countries having higher production costs. This is as it should be. There is no sound reason for imposing less duty on goods from China, for example, than upon similar goods from Great Britain. If the labor costs in China are much less than they are in England then Chinese goods selling in this country in competition with English goods can be sold at a greater profit. The greater the profit, the greater the ability to pay the tariff or duty. The American Valuation plan, therefore, avoids discrimination against those countries whose production costs are more comparable to the production

costs of this country and thereby tends to encourage the establishment of better living conditions abroad. The present law, basing the duty upon foreign value, on the other hand, discriminates in favor of countries with low labor costs and tends to discourage the establishment or maintenance of better living conditions.

#### Consumers Not Injured

Equalizing the duty between the different foreign countries, as is done under the American Valuation plan, necessarily increases the amount of duty paid into the United States Treasury by those countries whose production costs are lower than those of other countries competing for American trade. While our revenues are thus increased and discrimination avoided the burden on the consumer in this country is not thereby increased. The price to the consumer is fixed by the country having the highest production costs if its goods are sold here at all. Therefore, requiring the countries having lower production costs to pay the same duty would reduce the profits of those countries but would not raise the price to the consumer. American Valuation, therefore, is a means of securing additional revenue from those countries best able to pay, without imposing a corresponding burden upon the consuming public.

Many complaints have been lodged against the present method of imposing *ad valorem* duties because of the undervaluation abroad of the imported merchandise. There is no way to determine that the foreign value claimed by the importer is correct except by foreign inquisition, or, in other words, by taking evidence concerning such foreign value in the foreign country from whence the goods are imported. It has been found extremely difficult to secure adequate facts concerning foreign value. This country has no jurisdiction to compel foreign witnesses to give testimony concerning such value. It is beneficial to the foreigner to make the value low in order to have the goods take a lower duty.

#### Merchandise Grossly Undervalued

The result has been that merchandise imported to this country has been grossly undervalued for the purpose of assessment of *ad valorem* duties. The American value, on the other hand, can be determined in this country from the testimony of impartial witnesses and our own officials will have jurisdiction to get at all the facts. It follows that this country would be in a much better position to secure actual value for the purpose of assessment of *ad valorem* duties under the American Valuation plan than it is under the present law.

No other adequate means of securing fair and equitable *ad valorem* values has been presented to date to Congress. Therefore, unless the American Valuation plan is adopted there is little hope of the American manufacturer securing adequate protection against foreign-made goods and there is little hope of this country being put in position to maintain the present standard of living of the American working man and woman.

#### SURVEY OF CURRENT BUSINESS

Secretary Hoover since taking charge of the Department of Commerce, has shown a keen desire to meet the expectations of the business public with respect to his department, and a great alertness in making good use of the appropriations for his department in expanding the established services and providing new ones. One of his latest measures is a new publication entitled *Survey of Current Business*, a monthly supplement to Commerce Reports. This is a very timely publication, embracing in one pamphlet a great deal of data with regard to a wide variety of subjects concerning which business men and economists generally are keenly interested. The issue of the publication involves but very little expense to the Department, and will save a great deal of time on the part of economists, journalists, editors, financiers, business men and students in securing up-to-date data on the many subjects affecting the course of commerce, finance and industry.

#### FAR EASTERN BUREAU STOPS

That well-known source of reliable information on Far Eastern affairs conducted under the style of "The Far Eastern Bureau" by Professor Jeremiah W. Jenks, as director, has been discontinued. The Bureau was established in 1914. The reasons for discontinuing the Bureau are given as follows:

(1) The development of a large volume of cable news by American agencies operating in the Far East as the direct result of the Great war;

(2) The creation of a sound American opinion on our world policies as they affect our Pacific interests, and more particularly the control of our foreign policies by an Administration which gives strong evidence of a just but firm assertion of our interests in the trans-Pacific fields;

(3) The broadened outlook of American business which no longer needs the type of economic coöperation and intelligence offered by the Far Eastern Bureau without compensation and as a part of its activities in creating a wider understanding of trans-Pacific opportunities.



# Fur—The Great Industry of Luxury

*America, the pioneer in the trading of pelts of animals, once more ranks as the premier mart of the world—Fabulous sums are netted at the great auctions in St. Louis and other centers*

*Written especially for AMERICAN INDUSTRIES*

By N. B. KASTL

(Photos by Underwood & Underwood)

THE early American colonists carried on an important traffic with the Indians in the bartering of beads and trinkets and similar manufactured goods in exchange for animal skins. The Indians spent most of their time in hunting and trapping and brought in valuable skins which they were only too eager to exchange for the bright cloth and bits of ornaments which delighted their eyes and appealed to their native love of adornment. The colonists, in their turn sent the furs back to Europe and in this simple trading the great international fur trade of the present time had its remote and humble origin.

As the American settlers found their way westward, the fur trade became more and more important. Throughout the great Northwest Territory the Indians, assured of a ready market for their skins brought in the spoils of each season's trapping, to the nearest trading posts, and gradually there grew up flourishing fur centers situated at the junctions of the great rivers to which were brought furs from hundreds of square miles of territory.

St. Louis was the most important of these early fur centers, because of its fortunate geographical situation at the mouth of the Missouri River, where it flows into the Mississippi. The furs were brought down by boat from the northern trapping grounds and sold to traders and dealers in the St. Louis market. St. Louis has continued to grow in importance as a fur center and since the war undermined the prestige of the London market, it ranks as the premier fur selling market

of the world, where great fur auctions in which millions of dollars' worth of furs change hands are held three times each year.

North American furs—those trapped in the United States and Alaska and the Canadian provinces—are considered among the finest in the world. The four staple skins are

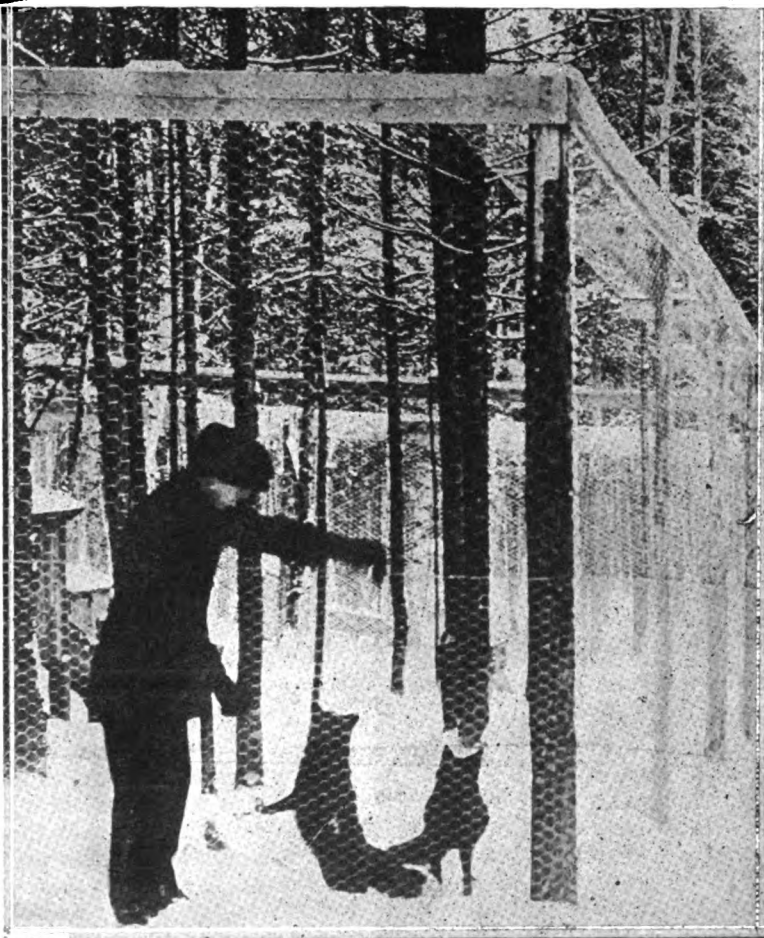
States. The Labrador or Northeastern beaver, trapped in the province of Labrador and the Canadian muskrat are considered in the fur trade to be two of the finest specimens of fur found anywhere. Prince Edward Island also has the finest silver fox farms in the world.

Alaska, although it has almost every variety of fur bearing animal within its borders, is especially famed for its seals. The finest seals come from the United States Government preserves—indeed, the Alaska seals are practically a government monopoly, as there are very few privately owned seal preserves and the seals raised on them are much less valuable than the government animals.

Trapping in the United States is at the present time very largely an adjunct of farming. The great Northwest where the finest fur-bearing animals in the United States are trapped, is also the region of great farms and ranches. The owners and farmers of these great farms took up trapping originally to rid their farms of the many fur animals who, so far as farming was concerned, were nothing more than pests which destroyed the crops and which were killed off not so much for their skins as to exterminate them.

As the value of all sorts of furs increased so tremendously, however, the farmer found it to his advantage to kill off his pests scientifically and sell the skins in the fur market.

The methods of getting skins to the market are, for all practical purposes, two in number. They are shipped direct to buying firms, or collection



Silver fox pelts are so valuable that the little animals are reared in luxury

muskrat, raccoon, opossum and skunk. Of these muskrat is far and away the most important in the fur trade. It has been called the "United States Steel" of the fur market and upon its price fluctuations the entire market hinges. Because of the climatic conditions the Canadian furs are better than those trapped in the United

houses, as they are called, or they are sent to the big fur auctions, where sales are held several times a year. In New York there are many collection houses which deal directly with fur trappers. They have their mailing lists of clients and each spring at the end of the trapping season, they send out a price list giving the prices which they are quoting for that season on the various classes of skins. The trappers send in the skins they have collected during the season and they are carefully inspected by experts in the collection house. They are then graded and a price estimate put on them. The trapper is informed as to the prices set and if he accepts them the furs are kept and put through the usual stages of dressing and dyeing. If the trapper does not accept the

the great Northwest—the United States, Canada and Alaska. Money advances are made to the shippers on receipt of the furs. These advances are regulated by money conditions and the state of the fur market but in general they approximate fifty per cent of the invoiced value of the skins. Sample bundles are made up so that prospective buyers can inspect them in warehouses and see the quality of furs which are being put on sale.

The fur auctions are conducted in much the same manner as any other auction. Anyone is admitted to the auction who can establish his business reputation and credit and the goods are disposed of to the highest bidder in the usual fashion. A selling fee of five per cent on the value of the furs is charged to the sellers. The buyers

the herd and is very carefully regulated. At the last auction about 9,000 seals were put on sale. The government sends also to the auction blue and white fox skins which are trapped on government preserves in Alaska.

The value of the furs which change hands in the fur auctions has greatly increased in the last two or three years. St. Louis as a fur center now occupies the position formerly held by London as the greatest clearing house for skins in the world. At the last auction held in St. Louis the furs auctioned off were valued at approximately \$27,000,000 and included, in addition to the 9,000 seal skins, fox, skunk, marten and muskrat skins in quantities of hundreds of thousands and equally large numbers of less valuable furs.



The highest paid workmen in the world—skilled fur matchers and cutters. They earn from \$150 to \$175 per week

prices set by the collection house, the furs are sent back to him.

These collection houses do a large business with individual small trappers but the bulk of the furs trapped each season, especially by the large trappers, find their way to the fur auctions. The fur auctions in St. Louis, since that city has become in the last few years the greatest primary market in the world are the most important both nationally and internationally. They are held three times a year, winter, spring and fall. The spring auction, coming as it does at the end of the shopping season, which is, roughly, from October to April, is the largest one of the year. Furs are shipped in to St. Louis from all over

are required to pay twenty-five per cent of the buying price at the time the sale is made and the balance on or before "prompt day" which is set for a date usually about three months after the close of the auction.

The St. Louis fur auction is the only place in which are sold the famous government Alaska seals. A St. Louis firm, the biggest furriers in the world who practically control the fur auction in St. Louis, are the sole agents for the United States Government. At every fur auction there is present a representative of the Secretary of Commerce who is in charge of the government seal preserves. The number of seals put on the market each year depends upon the condition of

The fur industry of the United States was raised to its present high place through the conditions brought about by the war. London, before the European war, was and had been for many years the premier fur market of the world. The far-reaching and wealthy Hudson Bay Company, which has dominated the Canadian fur regions ever since its founding two hundred and fifty years ago, sent practically all of its skins to the London market. Great Britain also had vast fur interests in Russia and Siberia and this resulted in the valuable Russian furs finding their way into the London auctions. Leipzig was the center of the fur dyeing industry of the world. Germany was supreme



Two hundred thousand dollars worth of assorted furs in one workroom

in the dye market in any case before the war and "Leipzig-dyed" was a phrase which connoted the height of excellence in fur dyeing.

To-day that has all been changed. London has been forced through the bitter exigencies of war to yield her high place to St. Louis and New York is now the center of the fur dyeing industry. New York is also the greatest fur manufacturing center of the world. Over seventy-five per cent of the fur manufacturing in the United States is done in the city of New York. There are about 1,200 manufacturing furriers in New York to-day, and nearly as many raw fur dealers, as against the scant three hundred of pre-war days. In these 1,200 fur shops are employed over 10,000 fur workers, who have the distinction of being the highest paid workers in any American industry. This is indeed a distinction in view of the extremely high wage scale that exists throughout the general ranks of American industry, but a glance at the present wage scale among the manufacturing furriers shows that it is well-merited. Fur workers are of course highly skilled. An expert cutter or matcher becomes expert only after many years of working at his trade and he is therefore worth high wages. But even so, the increase in fur wages has been phenomenal. Since 1912 there has been an increase of 340 per cent and the present wage scale is practically as

follows: Cutter and matcher, \$150 to \$175 a week; operator, \$100 to \$150 a week; finisher and nailer, \$60

to \$75 a week. Indeed, a fur worker, even the least skilled, who earns less than \$75 a week is hardly to be found except among the young apprentices.

Some idea of the present value of the fur industry in the United States may be gained from figures on recent taxes paid to the United States Government by fur dealers and manufacturers. A ten per cent excise tax on furs was levied by the government as a part of its war-time taxation measures. This tax went into effect on February 25, 1919. In the ten months ending with January 1, 1920, the amount paid into the Treasury from the fur trade was approximately \$11,000,000, indicating that the value of the business done during that period was close to \$110,000,000.

The tremendous expansion in the fur trade has not been confined to business in the United States, for there has been increased import and export trading as well. The war gave the American fur man his opportunity in extending his activities to other lands than his own and one of his great achievements was the establishment of American fur trading posts in Siberia. Trade through these posts was carried on chiefly by a system of barter whereby furs were exchanged for various necessities of life. It was largely through these posts that trade relations with Siberia were sustained. The Siberian cooperative societies



Treating silver fox skins. These valuable pelts must be carefully handled

have been active in the fur traffic between their country and the United States. Many of the furs sold in the United States in recent fur sales have been marked with the name of some coöperative member in far-away Siberia to whom the profits of the sale are sent directly in accordance with the rules of the societies.

Recent foreign trade figures on the interchange of furs, raw and manufactured, between the United States and foreign countries, indicate the growing prominence of that country in the international fur trade. For the ten months ending with October, 1919, there were 111,967,456 undressed skins imported into the United States, valued at \$54,525,378. In 1918, 29,000,000 skins were imported and in 1917 only 21,000. Dressed skins, to the number of 1,665,144, valued at \$2,341,551. In 1918 dressed skins imported were valued at \$819,303 and in 1917 at \$1,411,673.

Along with the growth of the imports, there has been a great increase in the exportation of furs. Raw furs valued at \$13,210,881 were exported from the United States in the ten months ending October, 1919, as against \$8,608,091 in 1918 and \$8,-

084,524 in 1917. More than half of the raw furs for 1919 went to the United Kingdom. The exports of dressed and manufactured skins has likewise kept pace. For the same period of 1919 these were valued at \$6,480,000, as compared with \$1,796,000 in 1918 and \$2,810,142 in 1917.

The United States has also won for itself an enviable position in the creation of styles for fur garments and American creations are now accepted even in the European style centers. Much has been done also to secure the future of the fur trade. The Government has taken an active interest in breeding fine fur animals and has silver and black fox farms as well as the famous seal preserves in Alaska, and Alaskan silver, black, and blue fox preserves.

The government has also stimulated the American farmer to new activity in utilizing the skins of the pests which he destroys on his farms. The Biological Survey aids the farmer to exterminate these pests scientifically and assists him to market the skins whenever they have any value.

So successful has been this government coöperation and aid that the

furs obtained in pest extermination form a large and valuable part of the total fur supply of the United States, exclusive of Alaska.

The high position of the United States in the fur trade of the world is demonstrated anew by recent information to the effect that at the present time over \$40,000,000 worth of furs are stored in warehouses in New York City alone. This vast store of furs is declared to represent more in value and amount than the furs offered in the spring auctions in the United States or in Europe, and is more than half of the raw and dressed but unmanufactured skins in the United States and Canada. According to estimates made by the dealers who conduct the International Fur Exchange in St. Louis there are in its own hands, the stores of other auction companies and private dealers in the United States and Canada, more than \$75,000,000 worth of furs. At the spring auctions the St. Louis concern's offerings amounted to about \$30,000,000 and the New York auction stock was valued at \$15,000,000. Such huge transactions indicate emphatically that the United States is the world's great fur market to-day.

## How To Tell A Profiteer

**"I**F the prices on the menu card of your favorite restaurant fail to show a reduction of from 25 to 50 per cent as compared with the prices of a year ago, then you are the victim of profiteering."

This is the dictum of a man who knows—Louis Fischer, formerly president of Reisenweber's and now owner of the Hotel Shelbourne, at Brighton Beach. This word for comparison, was expressed after Mr. Fischer had received his check for dinner at one of the New York restaurants and was charged 50 cents for bread and butter and \$1.50 per cover. He was so wrought up over the extortion that he immediately took stock of practices prevailing at his own place.

Mr. Fischer says he now operates his dining room at 33 per cent less expense than he did a year ago. He points out that his labor a year ago totaled \$500 a day as against \$375 a day for the same number of employes now. His menu charges have been reduced from 25 to 50 per cent.

"I believe it is up to every restaurateur to take similar action in conformity with the inevitable adjustment that the time requires," he said. "Due to excessive and rampant overcharging, the average man has simply been scared away from the public eating places.

"There is no reason for the charge for bread and butter and it should be cut out everywhere. In this connection I might remind some of our friends that the day of the 'war' portion is over."

Mr. Fischer submitted the following table of wholesale prices which he paid for food last year and this year, to clinch his statement that there is no reasonableness in the present gouging of the public:

	Wholesale Cost 1920.	Wholesale Cost 1921.
Butter, lb. ....	\$0.61	\$0.33
Eggs, doz. ....	.59	.36
Loin of Pork, lb....	.34	.27
Lard, lb. ....	.23	.12
Short Loin, lb....	.54	.45
Ribs of Beef, lb....	.38	.29
Bacon, lb. ....	.55	.30
Ham, lb. ....	.40	.29
Potatoes, bbl. ....	12.50	4.50
Sweet Potatoes, bu..	5.00	3.25
Tomatoes, crate ...	9.00	3.50
Celery, doz. ....	1.70	1.15
Coffee, lb. ....	.45	.28
Sugar, lb. ....	.24	.07
Crab Meat, gal....	5.00	3.00
Broilers, lb. ....	.62	.45
Duck, lb. ....	.42	.34
Flour, bbl. ....	12.50	10.50

About a week ago potatoes were wholesaling for \$3.50 a barrel.

### NEW TELEPHONE LINE

A recommendation has been made by the Federal Public Works Committee, that the trunk telephone system should be extended connecting Sydney and Brisbane. The length of the line proposed is about 700 miles, and the estimated cost is £35,200. The committee has also recommended the installation of automatic telephone exchanges at Albion and Newmarket, Queensland.

The committee, in inquiring into the proposals, investigated the question of automatic services generally, and concluded that although the cost of automatic equipment is considerably more than that required to install the manual system, the nature of service and lower annual cost favor the automatic.

### PIERCE-ARROW CUTS PRICES

A substantial reduction in the prices of its touring car models effective after September 1st, and a reduction on the prices of its truck models, effective immediately, has been announced by George W. Mixter, president of The Pierce-Arrow Motor Car Company.

The new price of the standard seven-passenger touring car is \$6,500 at the factory, the enclosed car prices being graded proportionately.

The new prices of its truck models are: \$4,850 for the five-ton size; \$4,350 for the 3½-ton and \$3,200 for the 2-ton.



# The Working Of Article Three

*Resulted in a virtual monopoly in mill work in favor of Chicago union mill concerns, declares manufacturer, and has boosted the annual rent bill to the general public something like \$5,000,000*

*Written especially for AMERICAN INDUSTRIES*

By B. G. ANDERSON

Secretary, Anderson & Lind Mfg. Co.

*"There shall be no restriction in the use of any manufactured material except non-union and prison made. This shall not apply to machine-made flooring, ceiling or ceiling partition, planed lumber, timber, or hardware of any kind."*

THE above is Article Three of the agreement between the Carpenter Contractors' Association and the Carpenters' District Council of Chicago, entered into June 1, 1918. The article, as will be shown, was born in iniquity and nourished by greed. It has resulted in a virtual monopoly in mill work in favor of Chicago union mill concerns and has, according to estimates by the Legislative Committee, loaded \$5,000,000 onto the annual rent bill of Chicago because of the increased cost of mill work.

## Long in Agreements

Prior to 1918 Article Three had long stood in the agreements between the employers and the union in the following form: "There shall be no restriction in the use of any manufactured material except prison made." At various times during the past nine years the officials of the Carpenters' Union had sought to alter Article Three in such a fashion that it would prohibit the use of non-union and open-shop millwork. At no time up to June 1, 1918 would the contractors bind themselves to an agreement which would place restrictions and limitations upon them. They had repeatedly asserted that sixty per cent of all sash, doors, and interior trim had hitherto been furnished by out-of-town mills, none of which were unionized. The contractors' ability to trade with mills in any part of the country had meant to them a guarantee of competition.

This is precisely what the local unionized mills did not want to contend with. In 1918 they faced the necessity of raising their shop employees—such a raise having been arbitrarily dictated by union officials. But in granting the wage increase the mill men sought to put through a "deal." The raise would be granted by the mill men, but in return the union in draw-

ing up its agreement with the carpenter bosses was to insist upon the adoption of Article Three with all of its restrictive clauses. To aid the union in their work of persuading the contractors to accede to their demands the mill men offered a twenty-five per cent trade discount to members of the contractors' association.

It may be indicative of the way in which the mill men worked to cite the action taken by the Labor Committee of Division "G" of the Lumbermen's Association of Chicago, which consisted of officials of several of the largest union mills. This committee, strange as it may seem instead of the Trade Relations Committee, was concerned with the introduction of the trade discount. It may have been that those three officials, all of whom were the heads of large unionized mills, considered the Trade Relations Committee ineligible because an official of an open shop was chairman.

The contractors, however, did not fall into line as had been hoped. At three successive meetings, each attended by more than 200 members of the Carpenter Contractors' Association, the proposal to establish a restrictive agreement was voted down overwhelmingly.

## Did Not Reach Some Members

Subsequently, however, a short meeting was called, attended by only about two dozen of the members of the contractors' association. The notices which had been sent out announcing the meeting either did not reach certain of the members at all, or reached them too late, or in any case did not contain a statement of the purpose of the meeting, which was a direct violation of the by-laws of the association. This small group of men passed Article Three. The joint arbitration board received it and rammed it through much to the surprise of the general membership of the contractors' association.

This agreement having been made, the matter of giving the contractors the trade discount of twenty-five per cent (25%), "that the labor committee said they had promised them," was

brought before the Millmen's Association or rather "Division G" of the Lumbermen's Association of which we were then members.

## The Authority Questioned

The authority for making such a promise was questioned by some of the members, but it was brought out that authority was given at some previous meeting of which no record was made. The discussion proceeded. Some were against giving the contractors any discount, arguing that they would be injured by Article Three inasmuch as they did not manufacture doors and windows and would have to buy same from Chicago union mills who were equipped, with whom they were in competition, and could not see how they could buy from their competitors and expect to compete with them. Others were in favor of giving the contractors a smaller discount; and it seemed as though they would be unable to agree. It was then suggested that the trade relations committee, who were then carrying on the negotiations for the millmen, invite the committee from the carpenter contractors' association to the millmen's next meeting, believing that the fear of the contractors knowing that certain millmen were against giving them the trade discount, would cause them to fall in line. The committee from the contractors met with "Division G" and stated that they had entered into the agreement with the committee from the Millmen's Association in good faith, believing that they were men of their word; that the contractors had carried out their part of the agreement and that it was up to the millmen to carry out theirs, or words to that effect, and that the millmen were responsible in a larger measure than any one else for the changing of Article Three. The matter was finally settled by giving the contractors a fifteen per cent trade discount and a five per cent cash discount—the Anderson & Lind Manufacturing Company, being the only one that voted against it and the only concern that refused to abide by it.

(Continued on page 26.)

# AMERICAN INDUSTRIES

D. M. EDWARDS, EDITOR

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## THE DIPLOMATIC SERVICE

NOTHING but the most genuine approbation should follow the announcement from the White House, that President Harding intends to keep the Diplomatic Service from becoming a political haven. While there will be no particular effort to retain a man in the same post year after year, he will not be thrown out merely because of political expediency.

The one arm of our government that needs to be fully developed, as other countries have developed it, is the diplomatic and consular service. England and France start to educate their men for diplomatic and consular service when they are young; and by the time the men are past the formative age, they have obtained an international knowledge and viewpoint that repays their governments many fold. There is no reason why the United States should not do the same thing, and there never has been a more appropriate moment for such an announcement than the present, when the ablest kind of men are needed for our diplomatic and commercial relations.

And incidentally, we hear, every once in a while, that an American embassy has been compelled to move, because, in some countries it still is much cheaper to move than pay rent. Returning tourists tell us of the deplorable state of affairs regarding the housing of some of our foreign representatives. When one takes a glance at the fine embassies maintained in Washington by even the humblest of nations, with full retinue of liveried servants and equipages, it certainly seems incongruous for this country to house its distinguished representatives in any way not thoroughly in keeping with the high regard which most other countries have for the financial standing of the country.

It is like putting Uncle Sam in a hall bedroom and sending him out dressed like the vaudeville comedian with celluloid collar, cuffs, a tie and no shirt.

He at least should have a good shirt.

## THE MOTOR HOG MENACE

SOMEONE, somewhere, has worked out a suggestion for the betterment of automobiling in general. The suggestion calls for laws that will make life a burden to "gasoline hogs," and "gasoline hogs" are divided into the following classes of dangerous drivers:

1. The man who leaves his empty car standing in a busy street all day long.
2. The man who turns a corner at fifteen miles an hour after a single toot of the horn, giving the pedestrian no chance.
3. The man who fails to stop back of the building line when halted by a crossing cop.
4. The man who passes to the left of a trolley car, whether the street is empty or crowded.
5. The man who refuses to stay in the traffic line, and persists in edging ahead of the man in front of him.
6. The man who uses the left side of the street or roadway to get ahead of the line.
7. The man who, intending to turn a corner, rushes up alongside of the car on the right, thrusts out his hand, swings across the front of the other and compels the latter driver to make

his car stand on its nose to prevent a collision.

8. And the worst nuisance of all, the man whose passengers stick their hands out in all directions, leaving you to guess whether he intends going to the right or left or up in the air.

## A TOWN THAT MADE UP ITS MIND

DANBURY makes hats. Comparatively speaking, it makes little else.

People of the town had stopped buying hats, because the prices were too high and not coming down. Factories had slowed down; some had stopped; the men were out of work. No one was making his salt, and no one was happy.

Danbury made up its mind to start going again. So, according to news reports, the manufacturers, some of the officials of the town and the workers came together or assembled their suggestions. The townspeople said they could buy hats, if the prices were normal, or approaching normal. The factory owners said they could operate on a normal basis, if the men would work for something like normal wages. The men decided that they could have plenty of the right things of life if they went to work and kept busy, even at lower wages. That completed the cycle. It was a reversion of the vicious cycle.

Factories started up; wages and prices went down. Danbury went to buying hats. Now, according to officials of employer groups and employee groups, everybody is happy and can see the silver lining shining through once again.

Other towns take notice.

## DISARMAMENT AND INDUSTRY

THAT American manufacturers and business men and women endorse the Presidential call for an international conference to consider, among other questions, the reduction of armaments is unquestioned.

They thoroughly appreciate the vast burden of governmental taxes. Every reduction in governmental expenditures to that extent lessens the taxes imposed and adds a corresponding sum to the amounts available for business extension and improvement.

The steel industry itself would benefit. Limitation of armament would release funds for the purchase of construction material, railway equipment, and factory machinery. The stimulus in these industries would still further encourage these and other enterprises.

Certainly it is far better for the permanent prosperity of our nation and of the world to have money put in factories, mines, and railways, than to have it spent on instruments of war which in a few years must become obsolete.

Complete disarmament is not proposed. Prudence and the necessity for national insurance will prevent this. But with an appreciable limitation of armaments by the leading nations of the world there will arise a better international understanding which should aid in making taxes for war purposes an ever lessening proportion of total national expenditures.

American industry will welcome practicable limitation of armaments as one step in the reduction of business-stifling taxes. All such reductions stimulate business enterprise, encourage production, decrease unemployment, and increase sales. The benefits of increased prosperity reach every corner of our land and bring confusion to the agitator and preacher of discord.

### HENRY FORD'S LOCOMOTIVES

AND now Henry Ford announces that he is going to revolutionize railroad building. He promises 75-ton locomotives to do the same work that the present 200-ton engines are doing. Likewise he will have cars similarly reduced in weight, carrying present-day tonnage at cheaper rates under the supervision of better-paid workmen. Further, he intends to eliminate all possible delay from storms, by adapting the wireless telephone to train despatching.

Mr. Ford, in speaking of his plans, makes a very plain statement, which may have a far greater element of truth in it than appears at first glance. He says:

"Despite our deception of ourselves on the fancied progress in railroad engineering, the plain, cold fact is that in railroad engineering nobody has

### Adjusting Wage Scales

THE Department of Labor, through the Bureau of Labor Statistics, is making a study of the methods of adjusting wage scales, and concluding collective wage agreements where cost of living figures enter into the wage adjustment. To that end, the Bureau of Labor Statistics wishes to communicate with the various companies, members of arbitration boards, labor managers, or others who are using cost of living figures in the determination of wage awards.

If any reader of "American Industries" who has not already communicated with the Bureau, is using cost of living figures in the adjustment of wages, it will be appreciated by the Bureau if he will write to the Commissioner of Labor Statistics, Washington, D. C., and inform him of that fact.

ever made a good start. We intend to do it."

Consequently, men in all parts of the country are watching with interest the developments along the Detroit, Toledo & Ironton Railroad, of which Mr. Ford has just become president.

### THE UNEMPLOYMENT CONFERENCE

SOMETHING more than academic advice is very likely to be the result of the forthcoming conference on unemployment which President Harding has announced for the near future. Herbert Hoover, Secretary of Commerce, has been asked by the President to shape up the organization for the conference, and as organization is one of Mr. Hoover's strong capabilities, he undoubtedly will bring to the meeting those leading minds in industry, labor and government, which can work harmoniously toward a common effort.

There is no question that unemployment is increasing in a great many centers. The figures generally are placed at about 5,000,000 men and women for the whole country. Many of these persons, it is true, are out of work because they flatly refuse to accept a wage that is lower than they

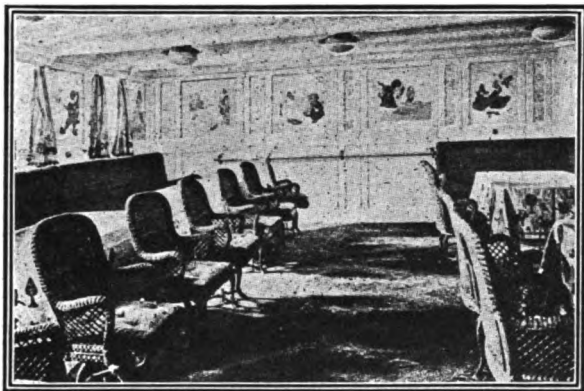
were receiving during the war; but their number is small compared with the thousands who are out because of the general slump in business that was bound to follow the war. Large corporations, small corporations, and individual employers have been laying off their help wherever they could scale down, and whether the minimum of employment has been reached is a matter that no one can tell.

To get industry under full swing, and people back to work, confidence must be restored throughout the entire economic fabric, so there will be a full resumption of the buying spirit. And the very people who are out of work form a considerable part of the purchasing power of the country. Economists and business men have agreed that one great need is for the people generally to make up their minds that the day of unreasonable wages and unreasonable profits has passed, and all production must be on a normal basis of value given for value received.

Moreover, one of the great evils that has been retarding the scaling down of wages is the fact that there has not been a proper reduction in the cost of the most important living necessities—food and housing. We hear a great deal about the housing shortage; but, from the thousands of empty apartments and houses to be found in New York and other cities to-day, it looks as if it was not so much a housing shortage as a shortage of conscience on the part of some property owners and realty men. In New York City, with hundreds of to let signs up, agents are asking as high as \$100 and more per month in sections where five years ago an entire apartment was obtainable at the same price.

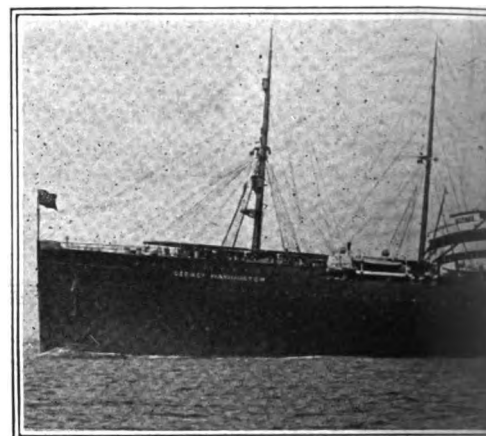
### RAILROADS AND TRUCKS

Many railroad men complain that motor trucks have taken much desirable freight from the steam transportation lines. Some of these men want the state and federal governments to tax freight hauling motor trucks. It is the same old story that the inter-urban trolley faced; but motor truck transportation is here to stay. It aids industry and a prohibitory tax on trucks will work harm in all directions.



Children's Playroom on the S. S. George Washington

# UNITED STATES SERV



S. S. George Washington, palatial passenger vessel  
New York

TO  
ALL  
PARTS  
OF  
THE  
WORLD

## SERVICES

### EUROPE

Aberdeen, Leith, Dundee  
Antwerp, Ghent, Hamburg,  
Rotterdam  
Barcelona, Genoa, Naples,  
Venice  
Belfast, Dublin  
Bilbao, Oporto, Lisbon  
Black Sea Ports  
Bordeaux, Ghent  
Bremen, Antwerp  
Danzig  
Bremen, Hamburg  
Bristol, Manchester  
Christiania, Copenhagen  
Constantinople, Varna,  
Bourgas, Constanza,  
other Black Sea Ports  
Copenhagen, Gothenburg,  
Stockholm, Reval  
Cork, Dublin, Belfast  
Dunkirk, Rotterdam  
French Atlantic Ports  
Genoa, Naples, Savona  
Gibraltar, Tunis  
Glasgow, Avonmouth  
Gothenburg, Malmö  
Greek, Turkish Ports  
Havre, St. Nazaire  
Hull  
Lisbon, Oporto, Vigo  
Liverpool  
Avonmouth  
Bristol  
Boulogne  
London, Liverpool  
Manchester  
Piræus, Patras, Salonica  
Ragusa, Venice, Bari,  
Ancona  
Rotterdam, Antwerp  
Scandinavian Ports  
Scandinavian and Baltic  
Ports  
Spain, Portugal

### SOUTH AMERICA

Bahia, Rio de Janeiro  
Brazil and Plata  
Buenos Ayres, Montevideo,  
Pernambuco, Santos  
Chile-Iquique, Antofagasta  
Ecuador, Peru, Chile  
West Coast

### CUBA AND MEXICO

Kingston, Matanzas, Neu-  
vitas, Cardenas  
North Side  
South Side  
Tampico, Mexico

### ISLANDS OF ATLANTIC, WEST INDIES AND CARIBBEAN SEA

Jamaica, Haiti  
Sanchez de Macoris, Santo  
Domingo, D. R.  
Pointe à Pitre  
Porto Rico  
San Juan, Ponce  
Trinidad, Demerara

### CHINA JAPAN, PHILIP- PINES AND STRAITS SETTLEMENTS

Manila, Iloilo  
Yokohama, Kobe, Shang-  
hai, Hongkong, Dairen,  
Tientsin  
New Zealand and Austra-  
lian Ports

### INDIA AND DUTCH EAST INDIES

Aden, Alexandria  
Rangoon, Calcutta, Bombay  
Karachi, Colombo  
Penang, Belawan, Delhi,  
Port Swettenham, Sing-  
apore

### AFRICA

Canary Islands  
North Africa, Malta, Egypt,  
Levant, Red Sea Ports,  
Madeira, Morocco  
South and East Africa  
West Coast

## GIVE THE AMERICA YOUR P



WIFT, commodious, staunch vessel  
accommodation to all parts of the

The United States Shipping  
nage of 15,000,000.

The freight vessels represent the  
architects and shipbuilders of the coun-  
at by well-established, privately-owned  
them by the United States Shipping Board  
to route your shipments and follow them

The passenger vessels represent a d  
the seas. They are manned by officers an  
the supervision of the United States Gov

Practically all of the vessels are oil-driven. Many  
lounges, gymnasiums, nurseries, spacious promenade  
represents the perfection in service and foods usually



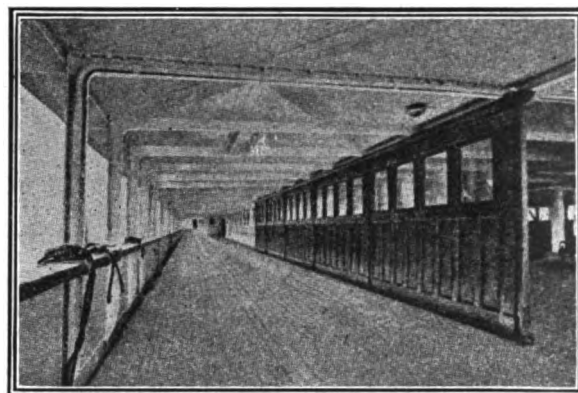
Dining Salon, S. S. Old North State

## THE UNITED STATES

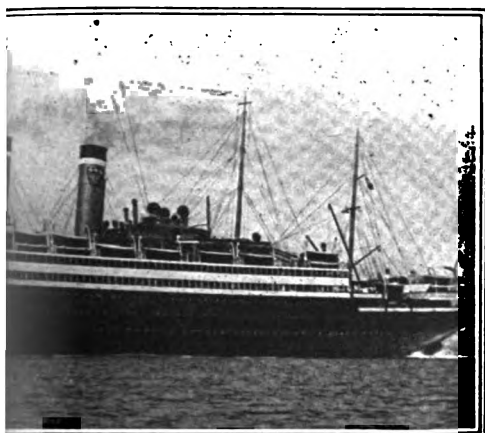
An American G  
WASH



# SHIPPING BOARD ICES



Promenade on the S. S. America



the United States Mail Steamship Company;  
Bremen

## MERCHANT MARINE RONAGE

available for your freight and passenger

fleet numbers 1,567 vessels, with a ton-

efforts of the foremost marine engineers,  
are safe, speedy and adequately oper-  
ing companies, under charters granted to  
corps of able, trained experts is available  
gh.

advance in safety, comfort and luxury on  
ws who have been carefully trained under  
nt.

contain single beds instead of berths. There are palatial  
and beautifully appointed dining salons. The cuisine  
ed by the best hotels.

## SHIPPING BOARD

ment Institution

N, D. C.

## AMERICAN SHIPS

New Combination Passenger and  
Freight Ships

### EUROPE

Plymouth, Boulogne and  
London  
From New York  
September 6—Centennial  
State (159).  
September 20—Old North  
State (159).  
October 11—Centennial  
State (159).  
November 15—Centennial  
State (159).  
October 25—Panhandle  
State (159).  
November 26—Panhandle  
State (159).  
December 27—Panhandle  
State (159).

### Bremen and Danzig

From New York  
August 30—Hudson  
(159).  
September 15—Princess  
Matoika (159).  
September 22—Potomac  
(159).  
October 15—Hudson  
(159).  
October 22—Princess  
Matoika (159).  
November 5—Potomac  
(159).  
December 3—Hudson  
(159).  
December 10—Princess  
Matoika (159).

### Plymouth-Cherbourg and Bremen

From New York  
September 28—America  
(159).  
September 3—G. Wash-  
ington (159).  
October 4—G. Washing-  
ton (159).  
November 1—America  
(159).

November 8—G. Wash-  
ington (159).  
Bremen and Hamburg  
From Philadelphia  
August 30—W. Raritans  
(72).  
September 10—W. Rari-  
tans (72).  
August 27—Satartia (72).  
August 31—Chicksaw  
(72).

### SOUTH AMERICA

Rio de Janeiro, Montevideo  
and Buenos Aires  
From New York  
September 3—M. Wash-  
ington (91).  
September 17—American  
Legion (91).  
September 30—Huron  
(91).

### FAR EAST

Manilla, Singapore, Colom-  
bo, Calcutta  
From San Francisco  
September 14—Creole S.  
(105).  
October 15—Wolverine S.  
(105).  
Yokohama, Kobe, Shanghai,  
Hong Kong, Manila  
From San Francisco  
August 31—Golden State  
(105).  
October 1—Empire State  
(105).

### COASTWISE AND HAWAII

Port Los Angeles, San Fran-  
cisco & Hawaiian Islands  
From Baltimore  
September 3—Hawkeye  
State (80).  
October 8—Buckeye  
State (80).  
November 12—Hawkeye  
State (80).

Fast  
Luxur-  
ious  
Steamers  
For  
Your  
Ocean  
Voyage



First Cabin. S. S. Panhandle State

(Continued from page 21.)

strike, primarily for the reason that the "check-off" system was forced upon them by the miners' union, and they have never found themselves strong enough to cast it aside. Even in times of prosperity and extraordinary demands for coal, they have found themselves subjected to such exactions and arbitrary demands by the miners' union that they have always been at a disadvantage with the non-union producers, and compelled to accept a smaller profit on the same price for coal than was derived by the non-union mine owners.

The principal feature found in the internal conditions in the coal industry upon which a movement for Federal regulation may be based is the conspiracy charge made against the union operators and miners' union officials. The injunction against the "check-off" system granted by Judge Anderson at Indianapolis was predicated on the claim by the non-union operators that the union operators, reduced to dire straits by the arbitrary exactions imposed upon them by the miners' union, are unable to longer compete successfully with non-union coal, and have entered into a conspiracy with the union officials to compel the organization of the remaining open shop mines. It was charged that the "check-off" system was employed as a means of raising funds for accomplishing this end.

This condition of inherent weakness affords the opening for the initial attack of the "agricultural bloc" in framing its program for greater regulation of the industry by the government. And in getting ready for this attack, the "agricultural bloc" is starting one of the most systematic and carefully arranged campaigns of action that has been known in Congress. Senator Kenyon is the strategist; Senator LaFollette is the general and floor manager; Senator Capper is to hold the senatorial forces intact, and resist the effort to break down the support behind the movement. The alleged agreement between the union forces and the closed shop operators furnishes the ammunition that will be used by them to carry through their project.

These senators hold to the belief that without Federal regulation a conspiracy between union operators and union officials must sooner or later develop into an agreement for the unrestrained exploitation of the consumer, and that if the miners' union should be successful in the contest that is being carried on against the "open shop" mines, then an agreement of this kind would follow immediately. They believe that this is the logical sequence of the unionization of the remaining open shop fields, and that competition in the selling of coal would automatically cease. It is a recognized principle in the coal indus-

try that union products shall not be brought into competition with similar products. Government regulation in the face of these conditions is looked upon as a necessity for the protection of the consumers.

The two coal control bills that are pending in the Senate were not introduced with any expectation that they would be passed. According to Senator Kenyon, who sponsored them, they were brought in only for the purpose of arousing discussion of the question of government control of production, distribution and prices of coal. There will not be any serious effort to pass them. In fact, very little attention was given to their details when they were prepared, and they are similar to the measures that were presented a year ago by Senator Calder of New York, but with certain features and provisions made more drastic than those found in the Calder measures.

Other bills for the regulation of coal, however, are being drawn along the most careful lines, and framed to conform with the decisions of the courts in the past on legislative principles of this character. These bills set up new theories and practices in the mechanism of government control. They seek to establish "reasonable and constructive" regulation. They are drafted in accordance with the fundamental principles which the "agricultural bloc" proposes to employ in regulating basic industry as a whole. These bills are in the nature of a new organic act in the business of industrial regulation by the Federal government.

The Federal Trade Commission will probably be thrown into the scrap heap as a result of these measures, if they are passed by Congress. The feeling prevails that the commission is not especially fitted for this particular work, and in some quarters the assertion is made that the commission has largely discredited itself by its actions in the past, and lost the confidence of the country. The belief exists that a larger volume of support for these measures will be forthcoming in both branches of Congress if a new agency, similar to a bureau of industrial administration, with possibly a labor board or commission established to adjust wage differences and employees' grievances, is provided for in their provisions. It is practically certain that the task of regulating an industry so intricate and disorganized as the coal industry will be assigned to the Federal Trade Commission.

Considered as a whole, the attempt at regulation will be along lines expected to give protection to the country against extortionate prices, manipulated markets and trade combines. The bills at the very outset will proclaim the doctrine that coal "is charged with a

public interest and use," thus laying the foundation for regulation of the same kind as that imposed upon public utilities.

Much of the evidence that has been gathered by the Senate Committee on Education and Labor in the investigation of labor troubles in southern West Virginia points to the existence of a combine within the bituminous industry, covering about 70 per cent of the production, and eliminating effective and serious competition in the marketing of that part of the total coal output. The "agricultural bloc" is going to strike at the very heart of the so-called combine. This is the national and local associations of coal operators through which, it is claimed, a mechanism has been built up for wiping out competition, fixing high prices, and controlling and regulating production and distribution. Among the three or four thousand operators producing coal in the central states the claim is made that not a half dozen of them are coming in competition with each other at a given point.

Senator Kenyon is in possession of information showing that these associations are spending about \$10,000,000 a year for various purposes connected with the production and distribution of coal. He estimates that this sum represents the normal profit on the sale of about 40,000,000 tons of coal. Much of the evidence that has been presented to the Committee on Education and Labor is to the effect that wage contracts that exist between the operators and the miners' union have for their fundamental purpose the elimination of competition between coal produced in union mines, and to drive from the market the competing coal from the non-union mines. Senator Kenyon believes that the continuance of competition between the 70 per cent of coal from the union mines, and 30 per cent from the non-union mines—which is about all the competition that is left in the coal business—should not rest in the hands of the industry itself, but should be put under Federal supervision as a means of preventing a joint combine against the consumers of coal.

He expresses the belief that the high degree of organization that already exists in the bituminous industry is a menace to the country and its industries, and the foundation for high prices and restricted output.

The coal producers are fully aware of the plans of the "agricultural bloc" and are mobilizing their forces to resist the legislative plan that will be put forward this winter. Among other things, they will seek to enlist the large consumers of coal, especially the factories and manufacturing enterprises that have interests in coal lands or coal properties.

# Drying Fruit For All The World

*Rare climatic conditions which have made California great as a fruit growing center, also make her supreme in the natural preservation of her products which are finding market everywhere*

By N. B. KASTL

CALIFORNIA is the greatest fruit growing region in the United States and one of the greatest in the world. Covering a long stretch of territory ranging from a semi-tropical climate in the extreme south to a temperate climate in the north, it has within its borders practically all the fruits indigenous to both climes. Its broad, rich valleys, sheltered by the mountains, have mild winters; the long rainless summer season allows the fruit to ripen slowly and completely and there is ample water supply from the never-failing mountain streams to fill the network of irrigation canals that cover the orchard districts.

Because of the unusual climatic conditions, all phases of the fruit industry have flourished in California. With the development of refrigerating cars, the fresh fruits of less perishable nature have been shipped to all parts of the United States. Huge canning factories have sprung up near the fruit orchards which have taken vast quantities of every variety of fruit and canned and

packed it for shipment, and of late years dried fruit has assumed a size and significance which make it one of the most important branches of the fruit industry.

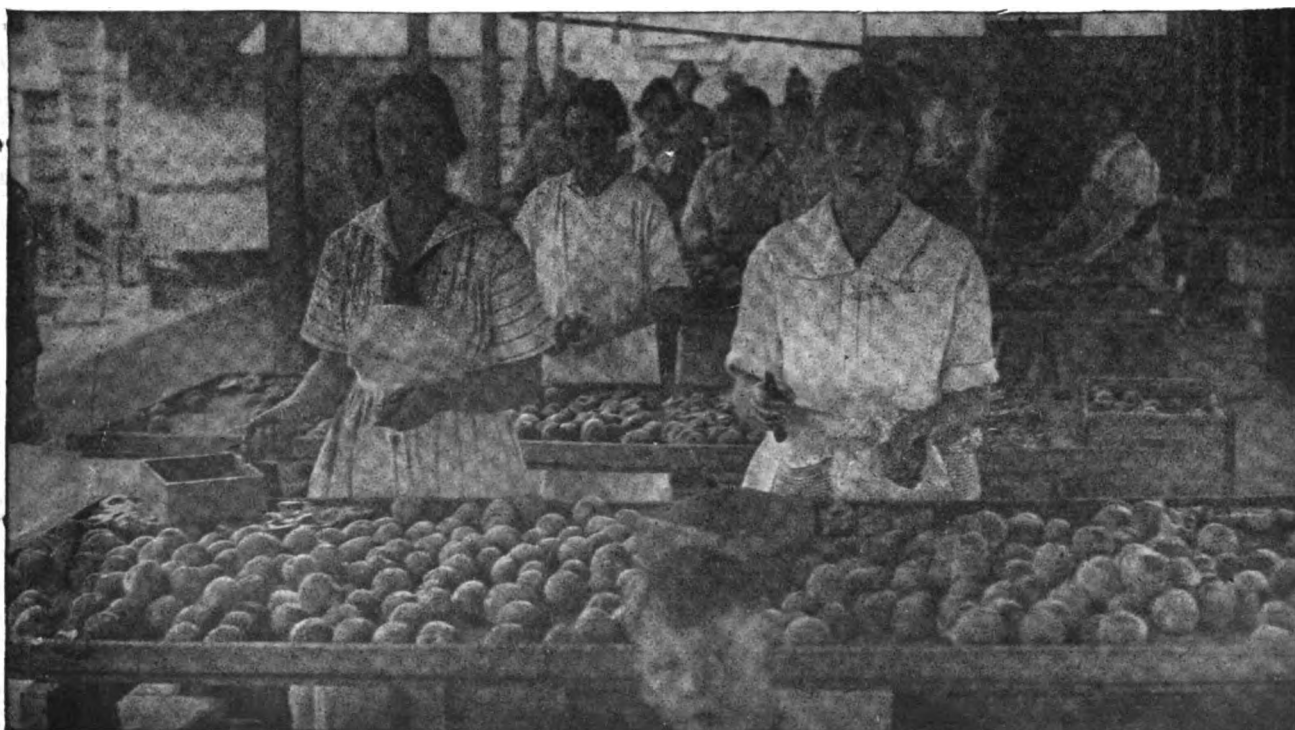
The same rare climatic qualities which have made California a great fruit growing region have contributed to fruit preservation by natural methods. It has been found that with proper treatment before drying, fruits dried with no other aids than the dry air and perennial sunshine of the California summer are of surpassing quality and flavor. And with the improved methods of treatment and preparation, together with the great strides that have been made recently in marketing the finished products, the dried fruit industry has rapidly become one of the most important of California industries.

There are various circumstances which are essential to the perfect dried fruit. It must be of the best quality and size and must be picked at just the time when it reaches the stage where all the natural sugar it contains has been fully developed. The fruit

must be carefully cut and prepared for drying so that the results will be uniform and there is an exact science which must be applied so that the fruit shall be perfectly dried yet not so overdried that it loses flavor.

The fruits generally used for drying are prunes, apricots, raisins, peaches, pears and apples, and of these, prunes, apricots and raisins are the most important. Peaches and pears are more frequently canned than dried, and apples are less generally raised in California than in the states farther north. The methods employed in preparing these fruits for drying and the drying processes also are similar and a description of the preparation for one of them for market applies in essentials to all. California produces ninety per cent of all the prunes consumed in the United States each year and exports many abroad also, so that the growing and marketing of prunes may be taken as typical.

At the present time the average annual crop is approximately 200,000,000 pounds, consisting chiefly of the so-called French prune which was



Peaches are cut in halves stones removed, and then sent to the drying fields

Underwood & Underwood.



*Underwood & Underwood.*  
Peaches in the drying fields

introduced into the United States in 1856. From the two original trees planted near San Jose in that year all the French prune trees of California have sprung. At first the fruit was sold only in the local markets but it soon began to be shipped to the eastern states, and when, in 1896, a tariff was put on foreign prunes, the market soon became national and to-day practically the only prunes eaten in the United States are the California variety.

The prune trees blossom in late March or early April and the spreading valleys of white-massed prune orchards are one of the most beautiful sights of spring-time California. The fruit ripens during the latter part of August and continues on through September. Unlike other fruits prunes are never picked but instead are gathered from the ground after falling from the trees. Prunes have a large natural sugar content and this is fully developed only when the fruit is so thoroughly ripe that it falls of its own accord from the trees. They can be left on the ground for several days without harm, and it is customary to gather them only about three times in the course of the crop, instead of picking them up immediately after they have fallen from the trees. In the last gathering the trees are shaken so that any fruit still remaining on the trees will fall to the ground.

The prunes are usually gathered by women and children who go through the orchards with tin pails in which they put the fruit. Later the pails are emptied in large boxes and carried in wagons to the prune dipper, where they enter upon the preliminary

stages of preparation for drying. The prunes are placed in wire baskets and dipped for about thirty seconds in a caustic solution consisting of about five pounds of lye to a hundred gallons of water, kept hot in a huge iron tank under which a fire is constantly burning. The bath in this solution cuts the skins so that the water in the prunes can evaporate more quickly and enables the rays of the sun to penetrate more easily when the fruit is laid out to dry.

After being rinsed in clear fresh water, which removes all sediment and traces of the lye bath, the prunes are placed in large

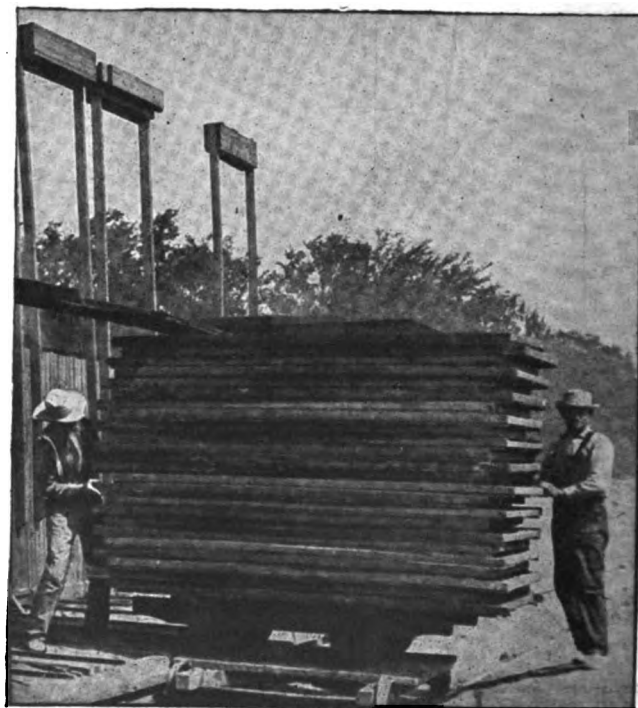
drying trays, three by eight feet in size, loaded on handcars and taken to the drying grounds. Here on the vast drying fields, often many acres in extent, the fruit remains for a period varying from ten to twenty days, until the exposure to the sun has removed most of the moisture and the prunes are about three-fourths dry. The trays are then gathered and stacked in piles so that the air can circulate between the trays, the drying process begun by the sun, now being completed by the air. Hot continuous sunshine is practically assured during the entire drying season, since the California summer is almost rainless. On the very rare occasions when rain threatens, a warning is sent out to all the growers by the United States Weather Bureau so that the trays can be stacked up and covered with canvas before the rain comes.

The dried prunes are next gathered up and put into sacks and carried to the packing houses. Here they go through a series of processes. First they are weighed and tested. Then they are put into a carrier which has perforations in the floor and gently vibrated back and forth so that any dirt or twigs still clinging to the fruit

shakes out through the holes. From the carrier the prunes go to the grader. In the twin grader generally used two parallel streams of prunes flow over metal screens perforated with holes which increase in size as the prunes progress. The small sized prunes drop through the smaller holes and the larger ones are carried along until they reach the larger holes and drop through them. Thus by the time all the prunes have flowed along the grader they have been automatically sorted according to size.

The next step in preparing the prunes for packing is putting them through the "Processor" where they are steamed for three minutes, run over screens to drain and dry and then while still warm from cooking, packed into boxes. The freshly steamed prunes are diverted into a chute which has a sliding door operated by an expert who gauges the amount of fruit necessary to fill a box and opens and closes the chute accordingly. After the boxes are filled they are weighed by girls who remove or add prunes when necessary to keep the boxes at the standard net weight. The boxes are then put into a high pressure nailing machine which clamps on the cover with one motion and are then finally ready for shipment.

The prunes are sometimes packed in cans. When this is done, they are prepared somewhat differently. After being cleansed the dried fruit is put into cans under vacuum, processed under steam pressure and then quickly chilled to stop the cooking. Prunes prepared in this manner are easier to serve than the others, since they re-



*Underwood & Underwood.*  
Trays of prunes on way to drying fields



quire much less soaking and cooking than the dried fruit.

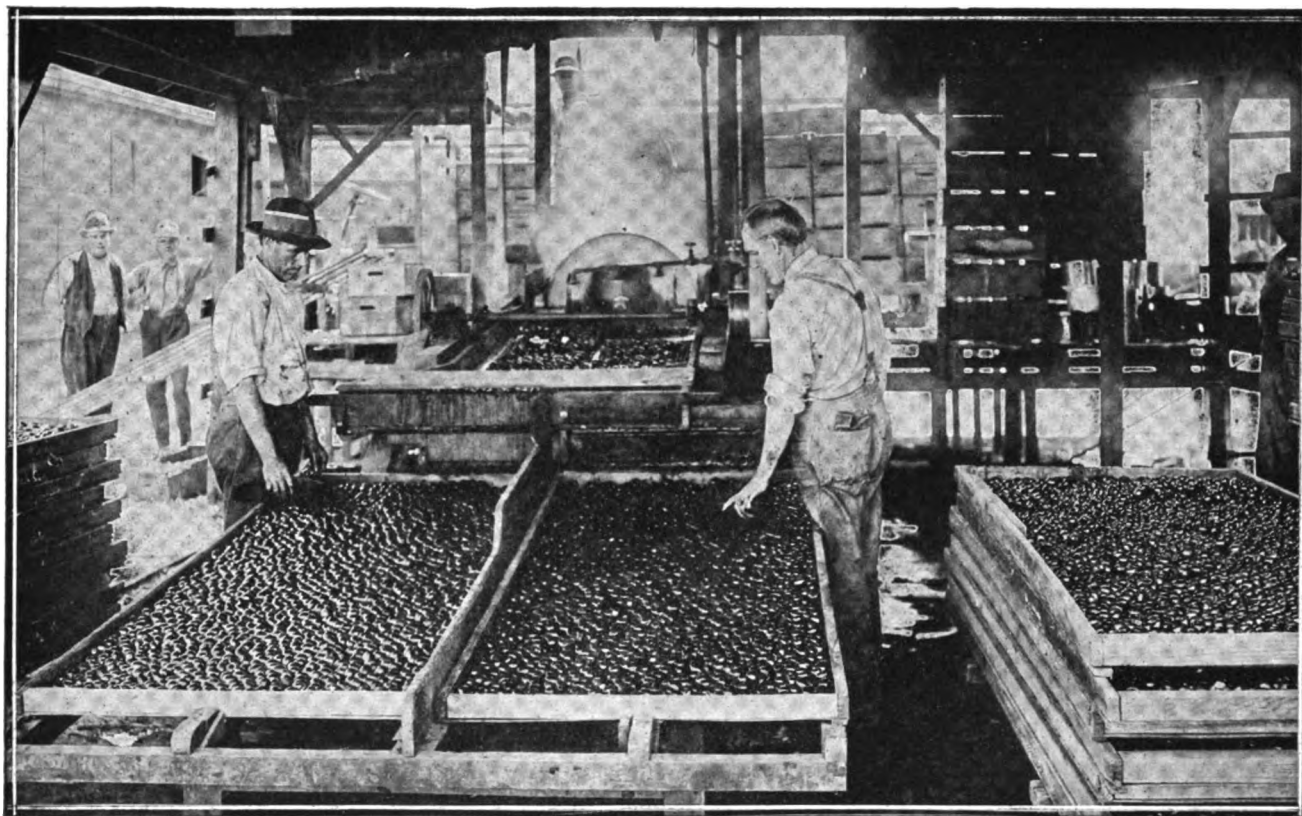
Peaches and apricots are dried in exactly the same way as prunes except that they have the seeds removed and are cut into halves before drying. Apricots form an important branch of the dried fruit industry. The California climate is peculiarly adapted to apricot culture and there are nearly six million apricot trees in California which bear fruit without any protection. The state has practically a monopoly upon commercial apricot growing, as nowhere else in the world does the fruit attain the commercial importance that it does in California.

spread publicity and increased scope for the distribution of their various products.

Typical of these great coöperative selling organizations is the California Prune and Apricot Growers, Inc., which in the course of a few years has dispelled the chaos which formerly characterized the marketing of these fruits and substituted for it an efficient selling medium which has accomplished wonders in expanding old markets and opening up new ones. It is a non-profit coöperative association which does not own any land or grow any fruit. It is purely a selling organization that takes the fruit brought to

standards of excellence which its members are required to observe.

The association has established more than a hundred and fifty selling agencies in the United States and foreign countries which have for their purpose the opening of new markets for its products. It has also undertaken carefully planned national and foreign advertising in the interests of its members, who pay for it only about one-tenth of a cent per pound—a tax which comes out of the five per cent allotted to the association for its expenses. The association has adopted a brand name for its products and is advertising its brand as well as its



Where the prunes are dipped in caustic solution to make skins tender

One of the reasons for the recent expansion of the dried fruit business has been the coöperative system of marketing which is now employed in practically every branch of the industry. The growers of a particular kind of fruit are grouped into a coöperative association which has its own drying fields, packing houses, shipping stations, and commercial organization. The California Peach Growers, with 6,000 growers incorporated; The California Associated Raisin Co., consisting of about 10,000 members; The California Prune and Apricot Growers, Inc., with 5,000 growers of prunes and apricots, representing over seventy-five per cent of all the growers in the state, are examples of the coöperative associations which have made possible great achievements in improved marketing methods, wide-

the packing houses by its member growers and markets it for what seems a fair price in view of the existing conditions of supply and demand. Every cent of money which it makes is turned back to the growers with the exception of five per cent retained for running expenses. Each grower when he becomes a member of the association, contracts to deliver his entire crop of fruit to the association for a period of three years and the association holds an option on the crop for two years more. In return for this he is freed from any concern with the business details of marketing and is assured that his fruit will be sold in the highest market and under the most favorable conditions. The association also insists that only the best quality fruit be marketed under its name, and has established certain

products. The adoption of the brand has served the double purpose of giving the public a definite name to connect with the fruits and making it stand for a stated excellence of quality which forces the growers to standardize their fruit.

A by-product plant has been built by the association which makes jams, fruit butter and other specialties from the smaller fruits which cannot be marketed as easily as the larger standardized fruits. Grower members of the association were paid about \$22,000,000 for their 1919 crop. Their acreage is to-day worth from \$1,500 to \$2,000 an acre where it was formerly worth only \$500. This prosperity is practically all due to the association and its selling and publicizing organization. It is due to the association also that the export market has in-

creased so tremendously. Some idea of this expansion may be gained from a comparison of figures for 1918 and 1919. For the nine months of 1918 ending in September, 3,429,944 pounds of apricots and 19,482,000 pounds of prunes were exported, while in 1919 approximately 24,746,084 pounds of apricots and 60,833,789 pounds of prunes were shipped to foreign countries.

The association of raisin growers has been very successful also. It also has its own brand and its own selling agency. There is a central sales and advertising office, and a large force of salesmen who push the sale of raisins all over the United States. A national advertising campaign has been successful in publicizing the brand and the product, and increasing the use of raisins through advertising raisin bread and buns and other food requiring raisins in its preparation.

The raisin association is a stock company and about a third of the members hold stock in it at present. Under the terms of a new contract now being made all the growers will eventually hold stock in the association. The aim of the association is primarily to get a living price for the growers, not to pile up corporation profits, and it is operated for the good, first of the growers, and then for the entire raisin growing community. As in the case of the prune and apricot association, organization has increased the value of growers' land from \$150 to \$300 an acre to the present figures of \$500 to \$750 an acre. Mortgages on growers' land from \$150 to \$300 an acre to the present figures of \$400 to \$750 an acre. Mortgages on growers' property which formerly were the rule, rather than the exception, have been paid off rapidly and general prosperity is resulting from the certainty which the grower now has of receiving a fair price for his fruit and finding an assured market.

The growth of the dried fruit industry in California has been also the growth of coöperation. It represents an eminently successful experiment in coöperative methods and organization, for it is distinctly true that the tremen-

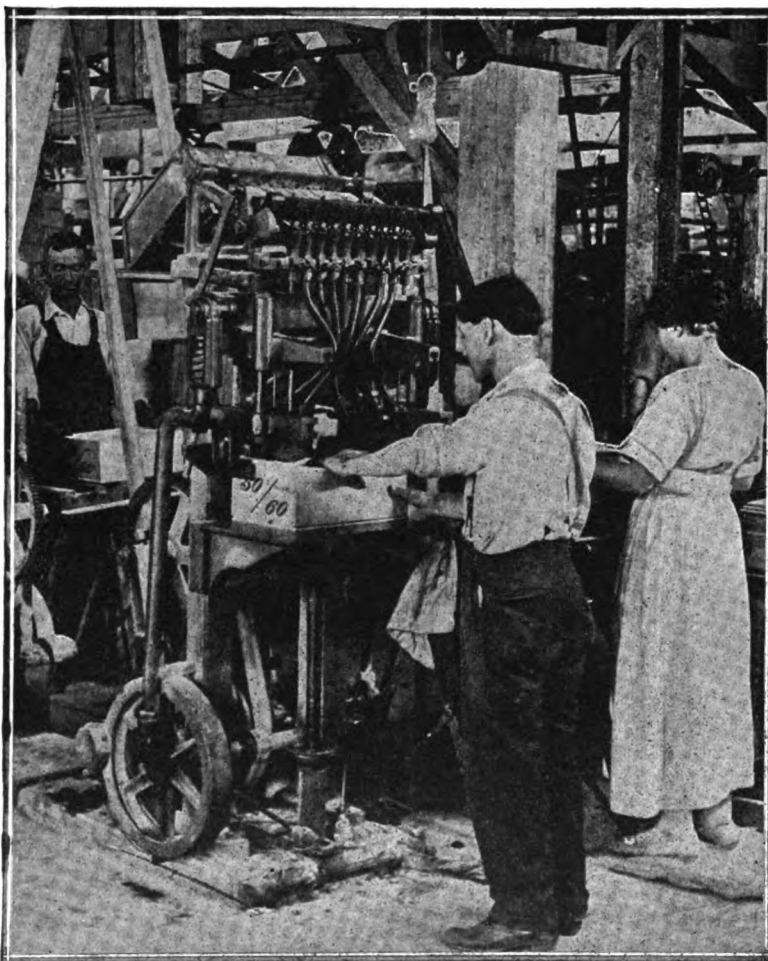
dous expansion in the industry has taken place only since the coöperative association took over the management of the business end of fruit growing and introduced standardized business methods into the marketing.

Besides the individual associations which include in their membership the growers of a particular kind of fruit, there is also a coöperative organization which comprises practically all the firms handling the output of dried fruit in the State of California. This is known as the Dried Fruit Association of California, and no other single

nia fruit. Widespread publicity has been undertaken which has had admirable results, and the prestige of the American fruits has been well established, in spite of the difficulties of competition in the foreign market.

As one means of guaranteeing the quality of all fruit shipped to the foreign market, the association has maintained a system of inspection at shipping points. A corps of experts, acting independently of the shipper, has examined all goods and after returning a favorable report has issued certificates of quality bearing the seal of the association. This service has been of such excellent character that almost universal recognition is now accorded to the Dried Fruit Association certificates. Many of the foreign governments insisted on the association inspection of all fruits shipped to their ports during the war and in many cases this has been continued even after the removal of food control. It is hoped eventually to extend this inspection service to goods for domestic sale.

The Dried Fruit Association has built up also, in coöperation with various other national associations and trade organizations in various cities, a system of arbitration boards which provide for settlement of all controversies and disputes in matters relating to all phases of the dried fruit industry—production, selling or shipping. This system has been of immense service in securing fair decisions acceptable to both sides of the controversy.



Prunes are boxed with one movement by an automatic machine

factor has been of more influence in the furthering of the joint interests of California dried fruit producers both in the United States and abroad.

The local benefits derived through membership in this association are much the same as those discussed in connection with the other organizations. There are certain features of the work of the Dried Fruit Association which deserve special mention, however, particularly as they touch the export trade. The necessity of having a market for the rapidly growing surplus of California's fruit products has led to extensive efforts in educating the countries of Europe and other parts of the world to the use of the Califor-

#### TRUCK PRICES CUT DOWN

The Standard Motor Truck Company, Detroit, has reduced prices on its entire line. Desirous of keeping its employees busy during the winter months, the Standard has met present liquidating competition. All during the past depressed period the Standard organization has been working a steady, although reduced, production schedule.

The response received from Standard dealers assures the factory of continuous shipments all winter. The unusual values now offered have interested buyers who have been deferring purchasing until spring.

# Growth of Electric Ship Propulsion

The popularity and growth of the application of electricity for the propulsion of vessels, both naval and merchant ships, is shown in the following table compiled by the General Electric Company giving figures up to July 30, 1921:

Naval Vessels				
In Service				
Ship	Type	Horse Power	Speed Knots	Tonnage Displacement
<i>Jupiter</i> .....	Collier	7,000	15	20,000
<i>New Mexico</i> .....	Battleship	30,000	21	32,000
<i>Tennessee</i> .....	Battleship	30,000	21	33,000
Being Built				
<i>California</i> .....	Battleship	30,000	21	33,000
<i>Colorado</i> .....	Battleship	30,000	21	33,000
<i>Maryland</i> .....	Battleship	30,000	21	33,000
<i>Washington</i> .....	Battleship	30,000	21	33,000
<i>West Virginia</i> .....	Battleship	30,000	21	33,000
<i>Dakota</i> .....	Battleship	60,000	23	43,000
<i>Indiana</i> .....	Battleship	60,000	23	43,000
<i>Montana</i> .....	Battleship	60,000	23	43,000
<i>North Carolina</i> .....	Battleship	60,000	23	43,000
<i>Iowa</i> .....	Battleship	60,000	23	43,000
<i>Massachusetts</i> .....	Battleship	60,000	23	43,000

Ship	Type	Horse Power	Speed Knots	Tonnage Displacement
<i>Lexington</i> .....	Battle Cruiser	180,000	33.6	43,500
<i>Constellation</i> .....	Battle Cruiser	180,000	33.6	43,500
<i>Saratoga</i> .....	Battle Cruiser	180,000	33.6	43,500
<i>Ranger</i> .....	Battle Cruiser	180,000	33.6	43,500
<i>Constitution</i> .....	Battle Cruiser	180,000	33.6	43,500
<i>United States</i> ....	Battle Cruiser	180,000	33.6	43,500

Merchant Ships				
In Service				
<i>Eclipse</i> .....	Cargo Carrier	3,000	11	5,000
<i>Invincible</i> .....	Cargo Carrier	3,000	11	5,000
<i>Archer</i> .....	Cargo Carrier	3,000	11	5,000
<i>Independence</i> .....	Cargo Carrier	3,000	11	5,000
<i>Cuba</i> .....	Passenger and Cargo	3,000	17	2,100
<i>Mariner</i> (Diesel-electric) Trawler		400	10	500

Being Built or Equipped				
Eight cargo carriers, each.....	3,000	11	5,000	
Four coast guard cutters, each.....	2,600	16	1,600	
<i>Fordonian</i> (Diesel-electric) Cargo carrier .....	850	9	2,200	

Total tonnage naval and merchant marine in service, 107,626; being built, 732,600.

## The Greatest Ship Afloat

WHEN the *Majestic*, greatest of all ships afloat, enters this port early next spring, New Yorkers will be treated to a spectacle never before seen on the water. The former German liner, now owned by the White Star Line and nearing completion in Hamburg, will accommodate more than 5,000 persons and should the space in the great ship be occupied by housing facilities, there would be room for more than 400 detached suburban residences of eight rooms each or about 800 average four-room New York apartments, which ordinarily house 2,400 persons or more.

The *Majestic* is a 56,000-ton liner, 10,000 more than the *Olympic*, largest British ship, and exceeds the *Leviathan* by 2,000 tons. She will carry a crew of more than 1,000 and will have accommodations for 1,000 first-class passengers, 700 second and 2,400 third-class.

Two subway trains could pass abreast through one of the *Majestic's* smokestacks. Standing on end, her hull would top the Woolworth tower by 164 feet. Four times around her promenade deck is a mile. The tops of the smoke funnels are 144 feet above the water line and 184 feet above the keel. In other words, they are at the height of a twelve-story building. When the lookout in the topmost crow's-nest climbs to his place—by means of a ladder inside the mast—he will be 180 feet above the water,

on the loftiest lookout perch ever carried by any liner afloat. To make a journey from the upper deck to the lower hold one would travel down nine decks. To facilitate passage from deck to deck the ship is equipped with electric elevators, one operating to the engine room.

The rudder of the *Majestic* alone weighs 140 tons and is hung on a single pin weighing two tons. The stern post, with brackets for four propellers and shafts, scales 300 tons. The bow anchor weighs fifteen tons and one chain cable for anchoring the ship weighs 230 tons.

The aggregate area of the ship's decks is seven and one-half acres. The liner has five steel decks running full length of the hull, and four superstructure decks in the center third of the hull. Safety devices against fire include deck coverings of composition to resist the fiercest blaze, glass in doors that resists 2,900 degrees of heat, smoke detecting devices in various parts of the ship and 1,200 fire alarm points, communicating with a central station, including 400 automatic alarms.

The *Majestic's* power installation is the largest ever fitted in a passenger vessel, consisting of four huge turbine engines for driving the hull forward and four reversing turbines. The weight of one turbine is 375 tons. It is expected that the driving engines will deliver a maximum of 62,000 to 64,000

indicated horse power through four shafts to four propellers.

The main dining room on the *Majestic* has an area of more than a quarter of an acre, or 11,466 feet, being 117 feet long and 97 feet wide. The public rooms of the ship are great halls in dimensions, with clear spaces and lofty ceilings not usually associated with marine architecture.

There is an unbroken view through the center of the ship 250 feet long. This unique feature, the first on any ship, was made possible by the peculiar construction of the vessel's giant smokestacks, which are brought up from the boiler rooms near the sides of the ship in two parts, which unite above the saloon deck.

The *Majestic* will have a library of 4,000 volumes, an elaborately fitted gymnasium, electric and Turkish baths, a Pompeian swimming bath of mosaics and marbles of 820 square feet area and 9 feet in depth—size of a summer cottage—with capacity for 130 tons of sea water and with thirty dressing rooms around it and a gallery for spectators.

Other features include a public veranda cafe on deck, with flowering shrubs and trailing vines, a playroom for children, a squash tennis court, a conservatory for preserving flowers received by passengers on sailing, a ballroom, winter garden and a mammoth stage for movies and vaudeville.

# Installs The Individual Contract

**T**HE Nordyke and Marmon Company, one of the largest industrial institutions of its kind in the country, manufacturing the Marmon automobile and flour mill machinery that is used all over the world, recently put the individual employee working contract into operation throughout all departments of its entire plant.

The form of individual contract used by this firm is one of the best and fairest open shop contracts now in use and is in great favor among practically 100 per cent of the firm's employees.

It reads as follows:

"In consideration of the Employment obtained, and the mutual desire of the parties (hereinafter designated as the Company and the Employee) to enter into a contract which will state the conditions governing employment, and will serve to promote and maintain a proper and harmonious relationship, and for other purposes that may hereinafter appear, it is hereby mutually agreed by and between the Company and the Employee as follows:

"1. The Employee agrees that the standard method for the payment of wages shall be the group wage payment plan, provided, however, that the Company shall have the right to designate whether the Employee shall be paid by means of the group wage payment plan, or the hourly rate plan, or the weekly salary plan, or by whatever other means that the Company shall elect.

"2. The Employee agrees that should the Company assign him to work under the group wage payment plan he will be governed by the following:

(a) The group's earnings are calculated by multiplying the number of accepted good pieces produced, by the established rate per piece, plus any credits that the Company may allow, and minus any charges that the Company may make against the group.

(b) The remuneration of the individual worker is a pro-rata share of the group's earnings based on his nominal hourly rate and number of hours worked.

(c) The hourly rate is not guaranteed to any group worker as a minimum wage.

(d) The Company may at its option grant a new Employee a period of time in which to get acquainted with the job to which he is assigned. During this time he is paid on the hourly rate basis for the number of hours worked.

(e) No extra compensation is paid group workers for overtime.

(f) The group prices are established by the Company and include in addition to the regular work performed, personal and general contingencies so that no concessions of any kind in addition thereto, are granted to the group.

(g) The Company may at any time change the price, when, in its judgment alone, conditions warrant.

(h) The Company shall have the right from time to time to issue or publish further rules and regulations governing the operation of the group wage payment plan.

"3. The Company agrees that should the Employee be assigned to work on the hourly rate plan he shall be paid his hourly rate for each hour worked, subject, however, to the rules governing payment for overtime.

"4. The Company agrees that should the Employee be assigned to work on the salary plan he shall be paid a stipulated amount for each week's work; the Company reserves the right, however, to deduct from his pay pro-rata, for all time lost.

"5. It is mutually agreed that any exception to the three above methods of remuneration shall be made the subject of special agreement.

"6. The Company agrees to promptly investigate and readjust, on a basis of fairness and justice to both of the parties, any complaint or suggestion from an Employee concerning his employment or working conditions, provided, however, that said complaint or suggestions be submitted individually by the Employee to the Company.

"7. The Employee agrees not to strike, stop work, or engage in any activity that in any way interferes with other Employees while they are engaged at their work, on their way to and from work, or on or near the premises of the Company. The Employee further agrees that he will not refuse to work or coöperate with any other Employee of the Company for the reason that said Employee is or is not a member of any organization, union or society.

"8. The Employee agrees that at no time shall he participate in any individual or collective effort which has as its purpose or effect a breach of this contract or any contract between the Company and any other Employee, or of the rules of the Company, or the organization or the unionization of the Company's Employees as a closed union

shop. The Employee expressly understands that the Company operates an open shop and agrees to abide and be bound by the rules and regulations of the Company as now or hereafter posted in the factory which are hereby made part of this agreement, and that in case the Employee leaves the employment of the Company for any reason whatsoever, he hereby agrees that he will not engage in any unfriendly activity or annoy or molest or hinder in any way the Employees, customers or business of the Company.

"9. The Employee hereby specifically agrees that the Company does not and shall not be asked to recognize any organization or society to which the Employee may belong nor to treat with anyone concerning said organization or society and that the Company will not admit of any interference with the management of its business.

"10. The Employee agrees to keep this contract relation entirely free from interference or intervention, in every respect, by any officer, member, or sympathizer, of any labor union or other organization or society.

"11. The Company may terminate the employment herein provided for at any time."

## AGAINST SMALL XMAS CARDS

The following notice has been sent out by the Post Office Department:

"The public is urged to desist from using small size cards and envelopes which are common at the Christmas period. We hope that the stationers will not stock up on these small sizes. An untold amount of time is used in canceling such mail by hand, as it will not pass through the canceling machines, which are built to cancel the proper size of envelopes at the maximum rate of 50,000 an hour. The hand stamping not only causes delay to the small size cards and envelopes, but also delays the other mail which follows."

## ARGENTINE-URUGUAY AIR ROUTE

Italian capitalists, including the Caproni Company, are reported to have completed arrangements for an aerial mail and passenger service between Buenos Aires and Montevideo, Uruguay, Trade Commissioner George S. Brady of Buenos Aires reports to the Department of Commerce. Caproni planes will be used, and if the enterprise is financially successful it is planned to establish other aerial lines into distant parts of Argentina.



# Tractor Sledging In Frozen Lands

*Helps to complete government railroad in sections which only the hardy dog teams could reach; and opens up a way to transportation of freight at a lower cost than dreamed possible twenty years ago*

*Written especially for AMERICAN INDUSTRIES*

By E. M. LAGRON

Holt Manufacturing Company

**T**HAT there are great possibilities lying within the confines of Alaska is an undisputed fact. Financiers, promoters, and business executives have for a number of years carefully scrutinized every possible source of information covering the commercial and economic developments in this country.

The greatest obstacle to progress has been the natural barriers, which in themselves are a result of climatic conditions. To overcome these, it has been necessary to introduce equipment and machinery, but it has also been most essential that this equipment be made of the proper material so as to have the necessary staying qualities, to enable it to stand up under continuous hard usage.

It is now generally admitted that no

section of the Northern hemisphere has evidenced such marked progress in the introduction of modern machinery and appliances as has Alaska. The pioneers who have endeavored to gain a commercial foot-hold in this region have been forced to do their own experimenting. Very little assistance has been given them, and the modern mother industries of the United States owe congratulations to the keen-sighted, resourceful men who have constituted the pioneers in this region.

That the valuable minerals in paying quantities were to be found in this region has been no secret; in fact, many assays have showed this beyond a shadow of doubt, but it has been the absolute prohibitive cost of transportation which has eliminated from consideration extensive mining of this

mineral wealth.

Freight rates in the interior of Alaska have been approximately \$350 a ton, but it is estimated that they will soon be reduced to the nominal figures of \$25 per ton, as a result of the completion of the new Government railroad. The new rate will be effective, it is believed, just as soon as the road is completed, and the road will then extend from the tide-water to the interior. Increased activities will result and mining machinery can soon be shipped to Fairbanks, Nenana, Fort Gibbon, Ruby and other interior points. At present most of the freight to these places is sent by dog teams or "mush" over trails from the seaport towns of Valdez and Cordova.

It is interesting to note what means has made it possible to construct the



Tractor hauling 30,000 pounds of freight on sleds

"iron trail" across the frozen region heretofore only accessible to dog teams. The answer is the ingenuity and resourcefulness of the Yankee engineer. It was agreed that the construction of the road was feasible, but the question of supplying material during the construction was the great stumbling block which confronted all consulting engineers. The loads were too heavy for the dog teams, and besides the delivery was too uncertain by this means. Hundreds of men in construction camps isolated in the interior could not humanly be expected to be dependent upon the ability of dog teams to bring them subsistence in the face of a falling temperature and blinding blizzard. Motor trucks, of course, were out of the question, and the undertaking seemed hopeless until the introduction of Caterpillar tractors.

These rugged, sturdy, power units are in reality a cross-country locomotive, in as much as they lay their own track and pick it up after them. Snow, ice, mud, sand, swamp or marsh are all alike to the operator of this tractor. The broad, flat, endless tread with the flexible articulating roller frame which permits the tractor to conform evenly to any obstacle in its path and deliver adequate traction regardless of the unevenness of the surface, enables the Caterpillar tractor to operate under these conditions.

The tractor train is now operating in this region on a sixty-mile haul, and is delivering approximately 50 tons of perishable foodstuff, engineering supplies and construction material over the snow and ice. These tractors are similar to those supplied during the war to the Allied Government, with the exception that a recently perfected frost pan has been added which covers the radiator and protects the motor of the tractor, and enables it to operate at a temperature even as low as fifty below zero.

The mining industry in Alaska, seeing these tractors operating for the railroad construction crew, quickly realized the adaptability of this equipment for their own purposes, and were not long in seizing upon the advantages and incorporated them in their own works.

Two five-ton tractors have been delivered to the Premier Gold Mining Company, Hyder, Alaska, for use in hauling ore between the mill and the Tide-water. The Hyder Alaska Miner said: "With the arrival of the tractor for the Premier Gold Mining Company, it is anticipated that all transportation problems will be greatly simplified, and that but little difficulty will be experienced this winter in bringing to the wharf the full amount of ore it is intended to ship, said to be at least 3,000 tons. Two five-ton

tractors of the most modern design are now here and will be used between the wharf and Nine mile. They are expected to make a round trip each day and bring a minimum load of 20 tons."

A recent letter which has come to the writer's attention from the operator of one of these tractors is extremely interesting and is quoted:

"I am still on the job and going strong, but it is some battle. I am going to claim the world's record for operating tractors in the cold. A great many men up here have asked me how the Caterpillar will work in the cold weather. You can tell 'em for me that it don't get too cold for any Caterpillar. I know. On the 15th, I traveled ten miles and it was somewhere between 45 and 50 below zero. There

were a lot of different reports on the weather. Just a little north of here they claimed 60 below. I keep the tractor hot, although the gasoline would occasionally freeze up.

"I am now on my way North with a light load and am breaking out the trail after a heavy snowfall of about thirty inches. I have been battling a 40 below gale to-day, one of the worst blizzards of the season.

"I have hauled a great deal of horse feed to Mile 319. Dog teams have been hauling it from there further North, and in the language of the dog "mushers"—'if it were not for the Caterpillars the men, dogs and horses would starve to death.'

"Yours very truly,

"(Signed) W. S. HAMMOND."

## Federal Aid For Motor Industry

The automobile industry paid in 1920 in Federal taxes alone the sum of \$148,720,800, or enough to cover the expenses of the Federal, Judicial, Congressional and Executive Departments, as well as those of the Departments of Interior, Commerce, Treasury, Justice, Labor and Agriculture, plus the expenses of the entire diplomatic and consular service, according to a statement issued by the automotive division of the Department of Commerce, of which Gordon Lee is chief.

In return, says the report, the American manufacturer of motor vehicles can reasonably expect to have the Government stand behind him when he goes out to hold his own in foreign markets where he may meet the competition of well organized and Government supported foreign industry.

To serve the foreign trade interests of the industry the Bureau of Foreign and Domestic Commerce has organized the automotive division. The activities of this division are outlined in the following statement:

"Most manufacturers have not the means of maintaining an organization to secure for them all the information they need to compete abroad, nor have they past experience in the export field to guide them. Thus the Government is given an opportunity to be of actual help to the industry. In creating the automotive division the Government has placed at its head men whose sole aim is serving the industry.

"The automotive division, while acting as a clearing house for information, also represents the industry whenever it is threatened by adverse foreign interests.

"It has happened in the past, and will happen more frequently in the future with increasing competition, that

foreign automotive interests try to protect themselves by influencing their Government to erect highly protective tariff walls or to issue vehicle regulations excluding American products from the markets—for example, India, where one of the local governments proposed to limit cars for use as taxicabs to twenty horse power, a ruling which would have been detrimental to a number of American manufacturers. The automotive division immediately brings such attempts to the attention of the interested trade associations and individual manufacturers and makes representation through the proper diplomatic channels to obviate or overcome such discriminatory legislation.

"Although the division is headed by experts in the automotive line, a constant attempt is made to get the manufacturer's viewpoint. Conferences with trade associations and with individual manufacturers are held by means of which the division may ascertain what services the industry most urgently calls for. Some trade associations have appointed committees for the purpose of establishing closer contact between the bodies they represent and this division."

### INDUSTRIAL ACCIDENT LOSS

Accidents in industrial establishments in Massachusetts during the past nine years have resulted in 3,743 deaths and property loss of more than \$65,000,000, the State Board of Labor and Industries announced.

Education work among employers and employes has brought about a gradual decrease in the number of accidents and deaths during the past few years, John P. Meade, an official of the department said.

# States Report Employment Gaining

*Forty-four cities, some containing the largest employers of labor in the country, show a promising increase for October, in a survey of the situation made by Philadelphia Chamber of Commerce*

**A** STEADY tone of improvement in the matter of employment of workers is shown in a survey of unemployment, covering every state in the Union, with all of the leading industrial cities included, and presented by the Industrial Relations Committee of the Philadelphia Chamber of Commerce.

Philadelphia shows an increase in employment of one and one-half per cent in October over September, and since that time a slightly improved condition.

In forty-four cities, these including some of the largest employers of labor in the industries, and many that had been hard hit, an increase in employment was shown at 2.21 per cent. Decrease was noted in twenty cities in the same period amounting to 3.145 per cent, but not covering such a large number of workers.

Pennsylvania shows that public works have increased employment, that Pittsburgh especially has had a big jump in employment, and that the housing situation in Philadelphia is not so acute as a year ago.

The report by states follows:

**New England:** Of forty-two cities, five cities note scarcity of houses; four report vacant tenements, all others fail to note conditions or report "easy."

**New York:** Of ten cities three report shortage of houses while New York and two others are easy. Rochester building \$2,000,000 worth with need of carpenters. No mention in four.

**New Jersey:** Six cities reporting. No complaint as to housing. Newark and Paterson have unemployment problem.

**Illinois:** Thirteen cities, Chicago, busy; three have much idle labor, seven report large building operations. Others about normal.

**Ohio:** Ten cities; one complaint as to housing, all skilled labor in one. Seven report improvement. Cleveland is rotating somewhat to keep more at work.

**Indiana:** Optimism and confidence. In six cities only one suffers shortage of houses. Four show increased building operations. One operates three days a week.

**Michigan:** Seven cities. Detroit puts many on short time, five have increasing activities, buying and build-

ing. One reports "rents still very high."

**Wisconsin:** General. Much building and general public improvement is going on through the state. In five cities no shortage of houses is reported.

**Minnesota:** Much building in three of the five reporting. One says, "unemployment practically eliminated." Two report slight improvement over summer conditions.

**Iowa:** "Packing plants are operating at about 90 per cent of normal." Housing easy, unemployment only in migrating labor.

**Missouri:** Five cities. "Unemployment ceases to be a problem," except St. Louis and Kansas City, where much migratory unskilled labor floats in. No ward on housing.

**Nebraska:** Four cities. One lacks houses, one has unemployment, one needs skilled mechanics, "building is improving" in all.

**Kansas:** Six cities report "improvement in building." Housing not mentioned. Local labor provided for.

**Maryland, Baltimore:** Increasing employment and shipments. Increases of ten per cent in chemicals and five per cent in packing. Other lines improved. Pianos full time, but not full force. Three other cities show some unemployment. Lack of houses comes from one report only.

**Virginia:** Five cities. One shows increase of labor. In four there is much unemployed labor and in two a lack of houses is much felt.

**West Virginia:** Four cities. Two are short of houses, two report much idle labor. Parkersburg, all industries are running full except oil well supply concerns.

**North Carolina:** Five cities. "Common labor" only unemployed. Housing acute in two. "All plants running full" in one. Increase in building in two. Largest industries show increase of labor.

**South Carolina:** Three cities, one building trades very slow; in two "practically all industries working full time."

**Georgia:** Five cities. Two have shortage of houses, two are easy, one no report. General improvement, no anxiety over employment.

**Florida:** Five cities. Surplus of unskilled labor. Housing easy. Build-

ing trades fairly active. Lumber mills, turpentine and logging camps taking on all labor offered. Metal trades generally sluggish.

**Kentucky:** Two cities, surplus labor at mines and in railway shops. Other lines are about normal. No word on housing. Metal trades improving.

**Tennessee:** Memphis. Marked improvement in labor situation. Six industries report improvement. Building activities continue. No report on housing.

**Alabama:** Birmingham. General improvement in employment conditions. Building has absorbed much labor in its line. Mobile, unemployment is still excessive.

**Mississippi:** Two cities. Lumber plants in both running full. No shortage of houses. General business in full swing.

**Arkansas:** Three cities. Housing situation is improving. A surplus of unskilled labor and in railway shops, smelters and lumber, wholesale and retail business increasing. Money easier.

**Louisiana:** Five cities. "Floating labor" has aggravated the labor market, while shipyards, sugar and metal trades are slow. Two report house shortage. Rice harvest has helped the general situation. Building is improving.

**Oklahoma:** Four cities. Unemployment confined to "floaters." Oil, metal and building trades have improved. Building is removing former house shortage. Inauguration of public works helps the labor situation.

**Texas:** Three cities, "transients" from the north and east aggravate the labor situations. Two report housing as easier. Improvement in all lines is noted.

**Colorado:** Five cities. One shows gain in employment and four show decline. Falling off of seasonal and agricultural employment. Fair building operations exist. Considerable unemployment exists.

**New Mexico:** Four cities. One shows added employment; two can absorb decline in some lines by increase in others, if transients are ignored. Seasonal activities declining.

**Wyoming:** Two cities. Employment situation is distinctly encouraging.

(Continued on page 43.)

# Foreign Exchange A Practical Study

*Written especially for AMERICAN INDUSTRIES*

By **CHARLES E. ARTMAN**

Director, Home Study Course, ~~Foreign Exchange~~, Columbia University

**A** MERICAN business men now see the need for study of world financial affairs as never before. The last few years, and particularly the last year and a half, have showed us how much there is yet for us to learn about the ways of the world's business. Our recent schooling in world finance has been on a grand scale, but it has been too drastic to continue long. In this brief but turbulent period we as a nation have had to learn much about foreign trade that Europe had learned through generations of world-wide commerce. Harsh as it has been, this experience has had one wholesome effect on American business in developing some semblance of a world point of view; there is at least a fuller appreciation of the inter-dependence of our foreign trade with that of the rest of the world.

From the seven seas the currents of trade and investment have turned to the shores of the United States. We are to-day the world's creditor not through any deliberate effort of our own, but by the hand of fate. And every day it is evident that our present role of world financier finds us in the state of the schoolboy whose new boots were so large that every misstep on the rough road raised a new blister. American business men are realizing that chance methods will no longer do in foreign business any more than in domestic trade, and that we must understand our relations with the rest of the world if we are to make permanent use of our commanding position in world finance.

To have the unity of action which spells efficiency, we must understand the distinctive language of world commerce. This is the language of foreign exchange. With the American dollar now known the world over as the only currency exchangeable at par for gold, there comes the necessity of converting strange native currencies into dollars whenever we deal abroad. In no sphere is there greater need for a clear understanding of correct principles and methods than in our foreign financial relations.

Until recently the number of men who understand these foreign transactions has been very small. Many of these men were trained in European financial centers, and speak with a European accent. Our metropolitan

banking institutions have had daily occasion to deplore the lack of fundamental knowledge of this subject on the part of their domestic clients. Ignorance of the simplest operations in connection with the financing of foreign shipments has often been the cause of needless expense and costly delay.

No doubt the general confusion regarding foreign exchange is due to the fact that until recently little effort has been made to organize information about this subject in any systematic way. It has been regarded as a sort of legerdemain, a modern "riddle of the universe," which only the elect could hope to understand. But as a matter of fact, foreign exchange is no more difficult to understand than many a subject dealt with every day in business.

In the absence of world currency, international dealings have to be carried out with local or national money, and national currencies have to be exchanged back and forth according to the varying needs of the countries that do the trading. To economize in the transportation of such currency, bankers and business men use paper claims drawn in one country against another country. These claims in the form of bills of exchange or cable transfers may accumulate in a country faster than other claims come in to offset them. Hence the supply and demand of foreign exchange vary with the varying business and financial activities in the countries concerned. If these claims were such as always to offset or balance each other, it would be a simple matter to make exchanges; but this rarely happens. So the foreign exchange market shows a continually changing ratio in the values of foreign currencies.

It is not difficult to understand that foreign exchange rates signify the market value of such claims to foreign money, or, as commonly stated, the market price per unit of foreign currency for bills of exchange. The question then occurs: "What forces have a bearing on these foreign exchange rates, and how do they affect the present situation in my business?"

These forces fall into three general groups: (1) factors concerning the movements of merchandise, such as the relative volumes and values of exports and imports of goods, and the

services connected with shipping and handling; (2) factors influencing the supply and demand of capital and credit, such as international loans, foreign investments and transfers of banking capital; (3) non-commercial forces such as political disturbances and legislative controls on trade. This complex subject becomes simplified by analysis in such fashion.

Opportunities for experience in the operations of foreign exchange are restricted to the relatively small number of men who can serve apprenticeship in the foreign departments of large metropolitan banks or export houses. Few men have time for this, and the facilities are very limited; for not until recently have American institutions had wide enough foreign exchange dealings to warrant training employees to handle such transactions. The man who reads will find a few good books, but they do not cover fully the rapidly changing conditions of to-day's business. Numerous excellent articles by well known authorities appear in current newspapers and magazines, which are very informing. The trouble with such random reading is that the subject matter is not correlated, and the reader gets only a sort of patchwork bird's eye view of the high spots of the subject. Some few men are fortunate in being able to attend special lectures on foreign exchange. But the majority are not so situated, and cannot take time to attend university courses.

The numerous requests for mail instruction in this subject have led Columbia University to establish a new home-study course in Foreign Exchange, to serve the needs of business men throughout the United States who see the advantage of non-resident study under individual guidance by mail. This instruction will be of particular value to men whose business involves foreign transactions, to bankers, and especially to men in export and import houses. The instruction is not planned to develop foreign exchange specialists, but rather to meet the wide call for men who understand how to carry out transactions involving the exchanges with European countries, South America or the Orient, and who can intelligently handle the usual exchange operations involved in foreign trade.

(Continued on page 40.)



# TRADE OF THE WORLD AND FOREIGN TRADE OPPORTUNITIES

Conducted by **WILLIAM M. BENNEY**

Manager, Foreign Trade Department, National Association of Manufacturers

## Poland And The Guaranty Trust

*Enter into an agreement by which the New York financial institution becomes the sole official agent in the United States for the new Republic for the handling of all money remittances*

**T**HE Republic of Poland and the Guaranty Trust Company of New York have entered into an agreement by which the latter becomes the sole official agent of Poland in the United States for the handling of all transactions involving remittances of money from this country to Poland. The officials of the company and of the Polish Government are now completing details of the arrangement and expect to put the plan, which marks a notable experiment in international banking, into operation on or about the middle of April.

During the last two years the remittance business with Poland has been in a very confused and disorganized condition. So many complaints and misunderstandings have arisen that a number of the larger American banks, including the Guaranty Trust Company, were obliged to discontinue entirely their service with Poland.

Polish immigrants in America have always sent large amounts of money to their relatives in the old country. While no official total has ever been computed it is estimated that the sum annually sent to Poland from the United States amounts to about \$100,000,000. The most conservative estimate exceeds \$60,000,000.

Such a flow of money might be expected to have had a beneficial influence on Poland's trade balance and to have facilitated the purchase of American goods by supporting the rate of exchange of the Polish mark. Instead, the remittance business has been beset with so many difficulties that its potentialities have never been realized by Poland, and the American banks, in some cases at least, actually have found the business so unprofitable as

not to warrant their continuing in it. As a result the volume of remittances with Poland noticeably fell off. The new arrangement with the Guaranty Trust Company represents an effort on the part of the government of Poland to control the remittance business with a view to protecting both the interests of the Polish immigrants and its own finances, by eliminating delays and losses on the one hand and by building up a dollar credit in America on the other.

The agreement which was signed on February 19 after more than a year of negotiations makes the Guaranty Trust Company the official agent of Poland in the United States for the distribution of official remittance forms, for the quotation of rates of exchange, and for the handling of all transactions involving remittances (except United States Post Office orders) from the United States to Poland. The Polish Government will adopt an official form of draft bearing the emblem of the Republic—a white eagle on a red field—on which all remittances from this country must be made. The Guaranty Trust Company will be the sole distributor of such official forms through its own branches and sub-agents which it has the right to appoint to assist in the distribution of forms, quotation of rates, and receiving of money covering remittances. A Polish government tax of ten cents, United States currency, will be collected for each form. No refund of this tax will be allowed for forms used, spoiled, or cancelled.

The official forms which will be printed in Polish and English will call for payment at the paying agencies of the government in Poland. The Republic agrees to appoint a sufficient

number of banks and reliable paying agencies throughout Poland, a list of which will be kept by the Guaranty Trust Company.

The rate of exchange for drafts, post remittances and cable transfers will be based on current market rates for remittances from other countries to Poland and will also follow the influence of supply and demand. Neither the Polish Government nor its agent, the Guaranty Trust Company, will attempt to restrict the price at which Polish exchange bought by dealers or others may be sold. The basic rate of exchange after determination by the Guaranty Trust Company in conjunction with the proper representative of the Polish Government in this country will be reported to a disinterested party who shall have power to amend the same if it is unfair or out of line with current market rates. This basic rate is to be fixed as often as variations of the market make it necessary.

All banks, bankers, and other institutions dealing in exchange, according to the agreement, shall upon request be furnished by the Guaranty Trust Company with official remittance forms, notified of the basic rate or retail rate then in effect, and informed that such remittances may be made by notifying any designated paying agency of the Republic of Poland and remitting at the same time such notice is forwarded, the proper amount of dollars in New York funds to the Guaranty Trust Company. The dollars which will flow into the Guaranty Trust Company covering remittances made in all parts of the country are to be held in a special account until notification of payment in Poland has been received. They will then be

transferred to the general checking account of Poland with the Guaranty Trust Company.

A most important feature of the agreement from the point of view of American foreign trading interests, is that at least 20 per cent of the dollars received and placed in the general account are to be used for the purchase of merchandise and supplies in the United States, or for the payment of obligations incurred by Poland in this country. As compensation for its services under this agreement and to cover the expenses incurred the Guaranty Trust Company will receive a reasonable percentage of all money received on account of remittances made to Poland from the United States. The life of the agreement of which the principal features have been sketched is three years, with provision for cancellation by either side after due notice.

The Guaranty Trust Company has announced that the greatest care will be taken to effect post remittances. In the event of non-delivery—and this has been the most frequent cause of friction in the past—refund will be made by the Trust Company. Such refund will consist of the full dollar amount received less a nominal fee to cover postage, labor, etc. The rate of exchange, whether lower or higher, when such refund is made, will under

no circumstances be considered.

The signing of this agreement is another evidence of the desire of the Polish government to have money orders and drafts sent direct from the United States without the medium of German and Austrian banks. In the past these banks have had closer relations with American banks than had the Polish institutions, and had become an important factor in the remittance business. This method of transferring money not only caused much delay but also deprived Poland of the benefits of the influence of the American remittances on dollar exchange. German and Austrian intermediaries have used their position in the remittance chain to depreciate the Polish mark for speculative purposes and for political reasons. The desire to eliminate them from the remittance business is one of the bases of the present agreement.

The building up of a large dollar credit in this country by Poland opens up wide possibilities for the expansion of trade relations between the two countries. America has surplus stocks of the raw materials and machinery on which Polish reconstruction in a large measure depends and it has been only the lack of dollar credit which has kept commercial intercourse on a low level during the past two years and a half.

families have suffered owing to the disappearance of the wheel from the household, and the whole nation is much the poorer for its absence."

He also affirms that a spinning wheel with three times the capacity of the old time contrivance would be looked for by a large number of housewives in India and would make its inventor or manufacturer derive a good deal of pecuniary benefit, as he feels sure that hundreds of thousands could find a ready market there.

Without endorsing the enthusiastic calculations of the retired minister, but taking them with due deductions, it is doubtless true that such a larger capacity wheel would find many customers among people in India, Persia and all the Near East markets.

#### CHINA'S RAILWAYS

News reports from the Orient show that China is looking up. The Fukien Provincial Assembly is to build five roads—one, the Eastern, from Chasan to Futing, 1,584 li; the second, known as the Western, from Fengshi to Kwangtsen, 1,515 li; the third, known as the Central, from Nansu to Hokow, 1,025 li; the fourth, known as the Southern, from Haiteng to Shang-hung, 535 li, and the fifth, known as the Northern, from Fuan to Shaowu, 715 li.

A li is 1,800 feet or a little more than a third of a mile. The estimate is to spend \$1,500 per li of road built. Considering labor costs in China, it would seem pretty good roads could be built for that amount.

The province of Fukien is in South-eastern China. The island of Formosa stands immediately east.

#### U. S. CONSULATE IN KOVNO

An American Consulate has just been established in Kovno, Lithuania, the seat of the present Lithuanian government.

Clement S. Edwards is the American consul.

One of the essential purposes for the opening of a Consulate in Lithuania is to facilitate the exchange of trade between Lithuania and the United States.

With this end in view a commercial room has already been furnished and is about to be opened for the use of the public. That it may be fruitful to the best results, it is the consul's desire to equip the department of the consulate with such reliable trade journals published in the interests of American products and manufactured articles as it may be possible to procure through the generous coöperation of the directors.

## The Spinning Wheel In India

INDIA is industrially in a transition state, very much as the United States and some of the European countries were a century ago. Outside of a few prominent industries, the great bulk of the manufactured goods which are utilized by the masses in India, so far as they are not imported, are produced in the homes of the people or by the coöperation of a few individuals in the innumerable villages throughout that vast country. The household industries in India now suffer, as they did in the United States and Europe a century ago, from the competition of the products of the factory system, and the country as a whole is far from being educated to utilize the factory system in order to give employment to the artisans of the country whose only industrial experience is in that of the handicraft which they have inherited, supplemented by more or less crude mechanical apparatus.

This matter is particularly emphasized in an interesting letter from a retired native minister in Agra, India.

He desires the attention of American inventors and manufacturers to be

called to what he considers the great opportunity for the sale of devices which would utilize the well-known skill of the artisans of India without crowding them into great factories, for which work they are not as yet adapted, but which would at the same time enable them to produce their wares at a lower unit cost and afford them a better chance of competing with the increasing competition of the factory products of the world.

The author of the letter calls particular attention to "a spinning wheel which could be capable of turning out at least three times the quantity of yarn which the old wheels used to do."

He says that women in India, who used to work in their leisure time spinning yarn, thus earning substantial amounts for the family expenses, now no longer employ themselves in working at it because the power machinery produces the yarn more rapidly and hand-spun yarn cannot compete. Our correspondent adds: "The women now waste their time in idle, frivolous gossip, suffering both morally and physically, to say nothing of the immense economical loss their

# Brazil's Centennial Exposition

**B**RASIL will celebrate its hundred years of independence in 1922 by holding a great national and international exhibition at Rio de Janeiro, to be opened September 7th, 1922 and to be closed on the 15th of November of the same year.

Foreign exhibitors are to have the privilege of erecting buildings within the grounds, or to lease space inside of the exhibition palaces.

The United States Government will erect a large pavilion in the area reserved for this purpose.

Applications for the privilege of erecting a pavilion should be made before January 31, 1922, to the Executive Committee of the Exhibition at Rio de Janeiro.

A fee of 100 milreis (\$13.00 at the present rate of exchange is required

for each firm or commercial house registering for exhibition purposes.

Exhibitors who do not take space in their national pavilions or in the exhibition buildings generally will pay in addition to the registration fee a special tax in proportion to the size of the space occupied as follows:

Space of 12 sq. meters, milreis 500, equals \$65.00.

Space of 15 sq. meters, for two firms, milreis 600, equals \$78.00.

Space of other dimensions, per fraction of six square meters 45 milreis, equals \$5.85.

Space in the open air, minimum of five square meters, milreis 30, equals \$3.90.

Exemption from customs duties will be granted for all goods to be displayed at the exposition.

Foreign manufacturers who desire to participate in the exposition must satisfy the following requirements:

Those who participate in the official representation of their respective countries must fill out an enrollment blank in triplicate which must be submitted at the office of the committee at least thirty days before the opening of the exposition.

Those who desire to enter a separate display, constructing private pavilions, will fill out likewise an application blank in duplicate which should be sent directly to the office of the Executive Committee in Rio de Janeiro, or delivered at the Brazilian Consulate nearest to the home city of the applicants. One copy will be returned to the applicant with full indications of all fees to be paid to the central office.

## Markets For Yankee Lumber

**W**ITH home consumption at the saturation point now is the opportune time for the intelligent development of the American lumber export trade, according to Roy H. Jones, assistant chief of the lumber division of the Department of Commerce. In a review of the export lumber trade, Mr. Jones says, in part:

"American lumber has never occupied that place in the markets of the world which its position in industry would warrant it in assuming and to which it is entitled. Lumber is the oldest and one of the greatest of American industries—in value of its merchandise, in investment and in the number of its employees—yet less than eight per cent of its product leaves our shores. This has been partially due to the fact that until recently the United States has been in the experimental stage, its growth having been so rapid that but a small percentage of its raw forest products could be spared from home consumption. The saturation point, however, has been passed and to-day American lumber men are gradually developing and building up their foreign markets along the same broad, intelligent lines which characterize their domestic trade.

"It is barely two decades since the manufacturing and merchandising of hardwoods became an industry in itself, separate and distinct from that of softwoods. As its manufacturing problems are different, so are its merchandising problems, and especially is this true in the export field. Ameri-

can structural woods have long been known abroad and their virtues appreciated. Our hardwoods, on the other hand, were either wholly unknown or had to compete with like species from other countries—woods which had been established for hundreds of years, such as Austrian oak.

"For a number of years a few American hardwood firms have consistently cultivated the foreign field and have built up a most desirable clientele, but on the whole the efforts of the industry were sporadic and chiefly confined to those years when the foreign demand offered better returns than the domestic and dropped when home markets appreciated. To-day there is developing a high regard for the export trade, an understanding of its requirements, a belief in its lasting value. Hardwood manufacturers and wholesalers realize that with proper cultivation they have a vast and profitable market abroad. They realize that it is a potential market, that their success in developing it is dependent upon their own efforts and that the holding of it is consequent upon the service rendered.

"During the past nine years the exports of hardwoods—logs, timbers and lumber—have followed closely the ratio of production, amounting to approximately seventeen per cent in volume and thirty-five per cent in value of the total exports of logs, timbers and lumber, and ranging in quantity from twelve per cent in 1916 to twenty-five per cent in 1919.

Owing to the present customs classification it is impossible to give a detailed statement covering hardwood exports, but taking the figures for oak, gum and poplar in sawn lumber, which have been segregated since 1912, we have a fairly true picture covering the last nine years.

"As with nearly all other exports, the effect of the war is apparent, as well as the increased demand immediately following, the falling off of that demand in 1920 and the low ebb of 1921. Prices also followed other commodities. The declared export value of oak and gum lumber maintained an average of \$42 per thousand feet from 1912 to and including 1917, going up to \$54 in 1918 and reaching the high-water mark of \$115 in 1920, during which year the total value of hardwood exports—logs, timbers and lumber, not including shooks and cooperage, amounted to \$26,561,453.

"The United Kingdom and Canada together took sixty-five per cent and seventy-five per cent of gum and oak lumber, respectively; also that during the past nine years Germany imported over 9,000 M feet of gum lumber, two per cent of our gum exports for that period, which does not take into account the large reshipments from Belgium and Holland. Since 1914 all lumber shipments to Germany have been practically nil. On the basis of pre-war consumption, Germany would have required for the nine-year period over 27,000 M feet of gum, or six and one-half per cent of our total exports of this wood. It is evident that when that country's finances are partially rehabilitated, its exchange stabilized and

credit arrangements perfected, Germany will again be one of the important markets for American woods.

"Italy, whose cabinet makers appreciated and learned to use red gum (known abroad as satin walnut) while it still was regarded here, where native, as an inferior wood, took an increasing quantity up to the first year of the war, importing in 1914 nearly 9,000 M board feet of gum lumber. The only foreign gum market to show an improvement since the war is the Italian, which gave an increase in 1920 of over fifty-three per cent above the 1919 figures, the gum exports to all other countries except Cuba being from one-fourth to one-half those of 1919. This increase, however, has not been maintained during the past year.

"Because hardwoods were not segregated in customs export figures prior to 1912, because of the war years of 1919 and 1920 it is impossible to get an unwarped picture of foreign hardwood markets by which to gauge future prospects. Certain salient features, however, present themselves, and it is to these that especial attention is directed. In such markets of the United Kingdom, Holland, Belgium, Spain, France and Italy, American hardwoods are fairly known, though there is an excellent opportunity to extend that knowledge to counteract prejudices existing against certain of our woods and to introduce others heretofore unknown.

"There are few export markets which might almost be considered pioneer—countries of great natural resources, whose industrial development, hardly antedating the present generation, has been phenomenal. Without discounting the older foreign fields, attention is particularly directed to Latin America, especially Argentina, Peru, Chile, Uruguay and Mexico, and the Union of South Africa. Of the world markets for American oak lumber, the only one showing an increase for 1920 over the pre-war years of 1912, 1913 and 1914, were South America (Argentina, Chile, Peru and Uruguay), Spain and British South Africa. For the past nine months, ending September 30, Argentina is the only country to show an increase over the corresponding period for 1920."

#### SAMPLE FAIRS IN ITALY

Since the Great War sample fairs have become very popular in some European countries stimulated by the success of the sample fair at Leipzig, Germany, before the war. In 1922 there will be two international sample fairs held in Italy, one in Milan, from April 12 to the 27th, and the other in

Padova, from the 1st to the 15th of June.

In the year 1921 the amount of business transacted at these two fairs, despite the business depression then prevailing, is said to have reached half a billion lire for each of them.

A very few American manufacturers have been so far represented in these fairs, and the majority of these have had their own permanent representatives in Europe.

M. H. Avram & Company, of New York, offer the services of their organization in this country and Italy, to American manufacturers with the idea that the concentration of a sufficient number of firms into one single management equipped with all necessary information and facilities would considerably reduce expenses.

The distance between Milan and Padova is about six hours by railway, both cities being located in northern Italy, and the time elapsing between the two fairs is short, so that it would be possible to exhibit in both places.

The materials for exhibition ought to be ready for shipment in New York not later than the 1st of March, 1922.

#### TRADING WITH MEXICO

The natural interest of the American people, and particularly the business men of the United States, in the political, industrial and commercial status of our next door neighbor, Mexico, always insures a good market for well considered and well written books on Mexico. One of the latest volumes of this character is from the pen of Wallace Thompson, which is issued by Dodd Mead & Co., New York, under the title of "Trading with Mexico." Mr. Thompson presents a picture of present-day Mexico as it would have been painted by Rembrandt. The author knows Mexico, and he has investigated that wonderful country under the strong light of his illumined intelligence, and logically the pictures he draws show in prominent lights those subjects upon which his mental rays have been focused, leaving all others in deep shadows. His descriptions are useful when taken into consideration with others drawn from a different viewpoint.

So much has been already written and is daily published describing the bright side of Mexico that Mr. Thompson's book, taken as a complement, is of great value in the formation of a fair conception of the truth regarding Mexico in respect both to the advantages and disadvantages of the conditions obtaining in that country as applied to commercial intercourse.

#### FOREIGN EXCHANGE A PRACTICAL STUDY

(Continued from page 36.)

This course is the result of actual experience and of careful analysis of present foreign exchange conditions, explaining in a very practical way the principles of foreign exchange dealing and the practices of American and foreign business and banking institutions. It explains the mechanism and instruments for settlement between countries, direct and indirect remittances, conversion of foreign currencies, meaning and relationship of foreign exchange rates, the foreign exchange market and causes of exchange fluctuations; it analyzes the methods of financing foreign trade by means of drafts and documentary bills of exchange, cable transfers, sight and time bills, export and import letters of credit, acceptances, trust receipts, the buying and selling of commercial bills, transfers of funds, and the services of banks in collecting and paying foreign accounts. The course deals also with investment in foreign exchange, the discount market, finance bills, speculation, futures, arbitrage, the gold situation and present aspects of the world's exchanges.

The ground covered in this course may be seen from the titles of the study units under which the instruction is organized:

#### Part I. The Mechanism of Foreign Exchange—

Lesson I. General Principles of Foreign Trade.

Lesson II. The Means for Making International Payments.

Lesson III. The Rates of Foreign Exchange.

Lesson IV. Fluctuations in Foreign Exchange Rates.

Lesson V. The Main Forms and uses of Bills of Exchange.

#### Part II. Activities Dealing Especially with Foreign Commerce—

Lesson VI. The Documentary Trade Bill.

Lesson VII. Use of Export and Import Letters of Credit.

Lesson VIII. The Purchase and Sale of Foreign Commercial Bills.

Lesson IX. Foreign Collections and Advances on Documentary Bills.

Lesson X. Bank Organization for Financing Foreign Commerce.

#### Part III. Special Banking Activities in Foreign Finance—

Lesson XI. Foreign Exchange Investment—The Discount Market.

Lesson XII. The Risk of Exchange—Speculation and Futures.

Lesson XIII. Arbitrage in Foreign Exchange.

Lesson XIV. The Gold Situation.

Lesson XV. Current Foreign Exchange Conditions.



# FOREIGN TRADE OPPORTUNITIES

The inquiries for American goods received by the National Association of Manufacturers from abroad will now appear in these columns. In order that the confidential nature of the inquiries may be preserved for the benefit of our members, the addresses of inquirers will not be printed in "American Industries," but the inquiries are numbered, so that members interested in communicating with any of the inquirers may obtain the addresses by writing to the Foreign Trade Department of the Association at 50 Church Street, New York, and mentioning the number or numbers whose addresses they may desire.

Where no language is mentioned, letters in English will be understood.

## ENGLAND

Cold rolled steel strip and sheet for metal stampings; also equipment and supplies of all kinds for industrial establishments. A manufacturing plant in England wishes to hear from makers. (97)

Equipment for contractors, builders, civil engineers, municipalities, etc. An American commercial organization in England advises that a firm of manufacturers of concrete mixers and other equipment wish to represent American manufacturers of the equipment mentioned above, particularly new inventions and modern apparatus. (98)

Machinery for manufacture of concrete pipe for water and sewage works, sizes 12, 15, 18, 21 and 24 inch diameters, is required by a firm in England. (99)

Phonograph cabinets to be shipped in sections and assembled in Great Britain. Detailed data is requested. (100)

## BELGIUM

Pharmaceutical machinery, including apparatus for making tablets, pills, pellets, etc. Inquirers in Belgium request catalogs and prices. Correspondence in French. (101)

Vulcanized wood fibre in sheets and rods, reinforced asbestos facings for automobile brakes and mica in sheets for Belgium. Particulars are requested from American manufacturers. (102)

## SCANDINAVIA

Cotton denims for the manufacture of overalls and other workmen's garments in widths of 28 inches. The inquirers desire to hear from manu-

facturers prepared to handle an export trade and in position to take large orders. (103)

Flour, vegetable oils and allied lines for Denmark. The inquirer is well introduced in these lines and desires American representations. (104)

## SPAIN AND PORTUGAL

Tempered strip steel or spring steel for the manufacture of Mauser cartridge loaders, 13.20 mm. wide, with a leeway of 0.1 mm., 0.28 mm. thick, with a leeway of about 0.04 mm. Approximate quantity required, 200 tons, payment against receipt and previous inspection of merchandise. Sample must be sent to inquirer in Spain with quotations for submission to official tests. Correspondence in Spanish. (105)

Hardware, industrial supplies and other products which can be handled in conjunction with iron and steel. A manufacturers' agent in Spain who is now handling the products of a leading American iron and steel corporation, wishes to make additional connections. (106)

Miniature railway for amusement park, large enough to haul eight or ten children. Spain, payable against delivery of the goods, money to be deposited in a bank. Correspondence in Spanish. Prices should be c. i. f. Spanish ports, payment by bank credit on receipt of merchandise. (107)

Hardware for building, household and general uses; also tools, cutlery, cords and twines, paints, varnishes, oils and drugs. A firm in Portugal wish to secure American agency connections. Correspondence in Portuguese. (108)

## ITALY

Machinery for manufacture of confectionery, biscuits, cakes, chocolates, etc. The owner of a factory in Italy desires catalogs and quotations. Correspondence in Italian. (109)

Copper in small ingots for the manufacture of sulphate of copper is required by a party in Italy. (110)

Sugar, alcohol and grain for Italy. The inquirers desire to hear from concerns prepared to export. (111)

## GERMANY

Technical machinery and supplies. A concern in Germany wish to secure American agency connections. (112)

Oils and fats of all kinds for the manufacture of soap are of interest to an inquirer in Germany. Correspondence in German. (113)

## BALKAN STATES

Saw machine used for cutting tree trunks in forests, to be worked by crude oil engine on a four-wheel car driven by a horse; smallest possible size of saw and lowest possible capacity of engine required. Offer to be accompanied by photo or plan and full particulars. Quotation to be f. o. b. New York, and to include packing, ten per cent commission for the inquirers in Greece. (114)

Paper box machinery, particularly for the manufacture of cigarette boxes. The inquirer in Bulgaria requests detailed particulars including sample boxes turned out on the machines, best prices and shortest time required for delivery. It is very important that, if possible, the machines also do the testing. Correspondence in German. (115)

**AFRICA**

**Machines for manufacturing safety pins, hooks and eyes and other small metal goods.** A party in Algeria requests catalogs, prices and detailed particulars. Correspondence in French. (116)

**Machinery for the manufacture of plaster, tiles, bricks and mosaics, both by hand and power operation; also machinery and apparatus for mines and quarries.** An inquirer in Morocco wishes to receive catalogs and quotations from American suppliers. Correspondence in French. (117)

**Hosiery, dry goods, hardware and paper.** A party in Egypt desires to secure American agency connections. (118)

**Furniture manufacturing equipment, including tools and machinery of all kinds for the manufacture of cane and rattan furniture is of interest to a basket manufacturer in South Africa.** (119)

**ASIA**

**Hardware in general, cutlery, pipe fittings, harness and saddlery, oil cloth and household supplies.** A firm of commission agents wish to represent manufacturers. Correspondence in French. (120)

**Engines, boilers, pumps, canvas belting, barbed wire and druggists' supplies.** A firm of dealers in India would be interested in making additional connections in the United States. (121)

**Machinery for making pocket lamp batteries is of interest to a firm in India.** (122)

**AUSTRALASIA**

**Automobiles and automobile accessories of all kinds for Australia.** The inquirer desires to form a company for the purpose of representing makers in his territory and desires

catalogs and quotations from interested concerns. (123)

**Watches, clocks, optical goods, jewelry of all kinds, sterling silver and electro plated tableware, and cut glass for Australia.** The inquirer desires catalogs and quotations. (124)

**JAVA**

**Canned fish, particularly cheap chum salmon in tall cans and sardines in tomato sauce in oval cans.** Samples, quotations and discounts are requested. Inquirers in Java also ask what percentage of total would be payable against shipping documents in San Francisco for purchases of 100 to 1,000 cases of canned fish. (125)

**Sulphate of ammonia for Java.** An agent in Holland who ships to Java, desires to hear from manufacturers and exporters. (126)

**MEXICO**

**Machine for cutting and working stone and marble slabs.** The inquirer desires complete data and quotations. Correspondence in Spanish. (127)

**Machinery for polishing, cutting and beveling glass for mirrors is of interest to a firm in Mexico.** Correspondence in Spanish. (128)

**Brewery materials and supplies.** A large brewery is interested in materials and equipment which can be used in its plant. (129)

**Containers of all kinds for toilet creams, powders, liquids and chemical goods generally; raw materials for making toilet articles such as those mentioned, as well as pills, emulsions, insecticides, etc.; also chemical laboratory supplies.** The inquirer in Mexico wishes to receive catalogs and quotations. Correspondence in Spanish. (130)

**Dry goods and notions.** An American who has been established in Mexico a number of years as agent for manufacturers, is interested in obtaining additional lines. (131)

**CUBA**

**Match making machinery for a factory of medium capacity.** Correspondence in Spanish. (132)

**Water distilling apparatus operated with petroleum or gasoline fuel, with capacity of 5 to 10 gallons per hour; compressed chlorine gas and compressed oxygen in cylinders; bags of rubber and cloth for carrying from 20 to 30 lbs. of oxygen gas to foot of beds for patients.** A physician wishes to hear from manufacturers. (133)

**Hardware, oils of all kinds, glassware, sanitary supplies, paints and varnishes, ship chandlery, agricultural implements and allied lines.** General hardware dealers wish to receive catalogs and quotations from American manufacturers. (134)

**Stationery articles of all kinds; also articles for the 5 and 10 cent store trade.** Catalogs and quotations are requested. Correspondence in Spanish. (135)

**Foodstuffs.** A recently established company are interested in making connections with shippers of foodstuffs of all kinds in the United States. They also call attention to their cold storage bonded warehouse, which they state is the only one of its kind in Cuba and which has a capacity of 300,000 cubic feet for cold storage and an additional space of 300,000 cu. ft. for general merchandise. (136)

**Food products and hardware of all kinds for Cuba.** The inquirers desire to secure the agencies of makers on a commission basis. (137)

**OTHER WEST INDIES**

**Automobile accessories, gasoline and automobile oils.** A firm of commission agents in Porto Rico wish to hear from manufacturers. (138)

# WATER

## WE-FU-GO AND SCAIFE

### PURIFICATION SYSTEMS SOFTENING & FILTRATION FOR BOILER FEED AND ALL INDUSTRIAL USES

## WM. B. SCAIFE & SONS CO. PITTSBURGH, PA.

Chicago Office: First National Bank Building, Chicago, Ill.  
New York Office: 26 Cortlandt St., New York, N. Y.

Zinc, nails, barbed wire, plain wire, construction materials and supplies of all kinds, pork products, corn meal, rice, wrapping paper and soaps. A large house in Porto Rico wish to secure American agency connections in these lines. (139)

Provisions, canned goods, cereals, salted fish, soap, hardware, iron and steel products and other staple lines. A native of Porto Rico, who has been for some time export manager of a paper manufacturing company in the United States, will leave in December to establish himself in Porto Rico as agent for American manufacturers. He wishes to hear from firms interested in being represented in Porto Rico. (140)

Rice and rice products, confectionery, laundry soap, wrapping and newsprint paper, corn oil, spaghetti and macaroni. An agent in Santo Domingo seeks connections in these lines. Correspondence in Spanish (141)

#### CENTRAL AMERICA

Hand presses or punches and dies for cutting out special shapes in mica. Prices and particulars are requested. (142)

Broom making supplies, including broom twine, broom fibre and brass and tin plate shapes are required by an agent and importer in Costa Rica. (143)

#### ARGENTINA

Hoop iron, five to ten cm. wide and twenty to twenty-five gauge; also common galvanized corrugated iron sheets, I beams, angles and other structural supplies for the building of sheds and storehouses in Argentina. Correspondence in Spanish. (144)

Canning and drying machinery and apparatus for fruits is of interest to the owner of a plantation in Argentina. Correspondence in Spanish. (145)

Amusement park devices, including novelties, games, automatic machines and apparatus, exhibitions and in fact amusement resort equipment of all kinds is of interest to a party in Argentina who specializes in such equipment. Correspondence in Spanish. (146)

Representation in Argentina. The former representative in South America of an American furniture manufacturer who has traveled for several

years in South America and who for two years acted as foreign representative of the American concern in Buenos Aires, is now open to represent makers of furniture, office supplies, card systems, baby carriages, etc., in the Argentine capital. (147)

#### CHILE

Representation in Chile. American manufacturers interested in representation in Chile are invited by a local chamber of commerce to send catalogs, prices and terms for such representation. Correspondence in Spanish. (148)

Fishing supplies, including tackle, nets, lines and similar goods. Catalogs, quotations and other particulars are requested. (149)

#### PERU AND VENEZUELA

Wire working machinery for the manufacture of wire paper clips; also wire suitable for making of these good are of interest to a firm of paper merchants in Peru. Correspondence in Spanish. (150)

Sweaters of wool, silk, mercerized and cotton. A newly established firm of agents wish to represent American manufacturers for Peru. (151)

Cotton goods, particularly specialties not generally imported by textile importers; also medical specialties. The inquirer desires to secure American agency connections. Correspondence in Spanish. (152)

(Continued from page 35.)  
ing. Building prospects brighter.

Idaho: Two cities. One reports decline of general business. The other an advance in building, better employment situation and "general outlook favorable."

Montana: Five cities. Depression in mining and smelting is general, and seasonal activities' decline has added to the unemployment situation.

California: Eight cities. Canning industry closed. Much unemployment. "Houses scarce and rents high" reported in four.

Oregon: Five cities. Portland has from eight to ten thousand idle and is concerned as to placing them for the winter. Building is active in all three and housing satisfactory in one. Retail good.

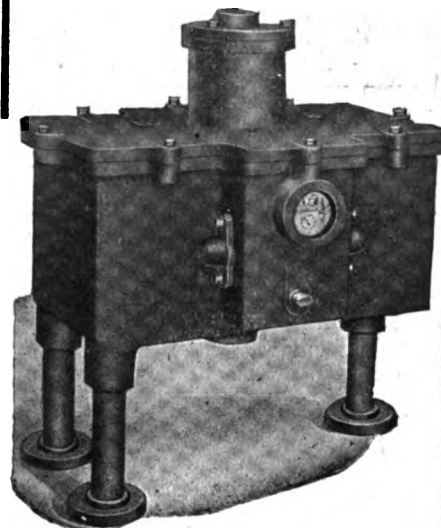
Washington: Five cities. Lumber declining in one and "improving" in three. "Houses in demand and rentals high" in two. "Conditions satisfactory" in two. Local labor can be provided for, but floaters cause some anxiety.



Why Not



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New York, Syracuse, 445 So. Warren St.  
New York, Watertown, 224 Factory St.  
New Jersey, Newark, 845 Broad Street  
N. J., Atlantic City, 11 S. N. Carolina Ave.  
Penn., Philadelphia, 527 Com'l Trust Bldg.  
Penn., Pittsburgh, 217 Water Street  
No. Carolina, Asheville, P. O. Box 667  
Georgia, Newman, P. O. Box 246  
Louisiana, New Orleans, Whitney Bldg.  
Kentucky, Louisville, 111 No. 3d St.  
Ohio, Cincinnati, 3621 Columbia Ave.  
Ohio, Cleveland, 629 Euclid Ave.  
Ohio, Youngstown, 507 Stambaugh Bldg.  
Illinois, Chicago, 2457 S. Western Ave.  
Missouri, St. Louis, 1987 Ry. Exch. Bldg.  
Missouri, Kans. City, 312 Elmhurst Bldg.  
Neb., Omaha, 504 First Nat. Bk. Bldg.  
Okla., Tulsa, 425 Iowa Bldg.  
Colo., Denver, 932 Equitable Bldg.  
Calif., San Francisco, 115 Mission St.  
Wash., Spokane, South 2818 Scott St.  
Virgin Islands, St. Thomas, Main Street  
Can., Montr'l, H. P. Ross, 180 St. Jas. St.  
Cuba, Havana, Victor C. Mendoza  
Holland, The Hague, Ruhask & Co.  
France, Bordeaux, 58 Rue Boric



Other  
Foreign and  
American  
Agents  
Wanted



# Australia And Her Tariff

AUSTRALIA closely watches the industrial progress of the United States and particularly the political measures which are adopted for the purpose of encouraging home production in the form of tariff laws.

"At last Australia has got a tariff that is truly high protection and which, given good administration in the spirit of the act, will go far to develop the secondary industries of our continent and sweep away that nightmare of unemployment that is brooding over the homes of so many thousands of workers to-day. An honest effort seems to have been made by the minister and his staff to make the measure thoroughly comprehensive."

Thus writes the editor of one of Australia's trade periodicals. He continues: "As far as can be seen the minister worked, like the coral island builder, upwards from the foundation, making each layer secure in turn, from raw material to finished article, so that the final form in which the product went to the consuming public was the one to receive the highest protection."

"It was a colossal task and has been excellently carried out. The method of doing it stamps Massey Greene as one of the few statesmen Australia has at the present time, and if the rich promise of his first effort at tariff building is redeemed, he will die famous."

"The proposal to appoint a board to see that the tariff is used to accomplish the objectives for which it was constructed is a good one. Between the sympathetic administration of the tariff by such a board and the Anti-Dumping Laws, the Australian manufacturer should have a better opportunity to dominate his own markets than has ever been vouchsafed him in the history of our country."

"Our tariff will be of little use unless our people develop a more harmonious spirit. Until capital and labor can be brought into something like sympathetic coöperation, our tariff, excellent as it is, will be more or less powerless. Impossible wages, absurd hours of work, slumming, ca'-canny, strikes and friction generally, are just as deadly to the development of Australian manufacturing industries as the most virulent of foreign dumping."

"Under this tariff there should, in the very near future, be work for every man and woman who desires it. At present the unemployment evil is very acute, and it is largely due to the fact that through a variety of causes the bulk of the Australian people are eating, drinking, smoking, wearing and

using articles mostly made abroad.

"This tariff will strongly discourage the practice of employing foreign workers to supply Australia's requirements; but if labor will not work in the spirit of the time and reduce costs of production, and thereby final cost, by better work for reasonable living wages then the tariff will be all in vain."

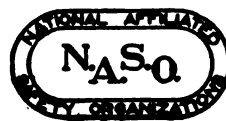
## THE SITUATION IN ITALY

CONDITIONS as a whole in Italy, at the present time, are probably better than in the United States. There is considerable unemployment, but it has not reached the same enormous totals as in the United States and England, reports the Secretary of the American Chamber of Commerce in Italy, to the National Association of Manufacturers.

The principal difficulty as regards the exchange is due to the extreme fluctuation which takes place rather than to the high rate. It is coming to be well recognized that the rate of exchange is simply a measure of the worth of currency expressed in gold, and the purchasing power in the interior of the country has diminished in practically the same ratio as the exchange.

It is also realized that a stable exchange will not be possible until it becomes an absolute certainty that no additional paper money will be printed. So far this year the government has made excellent progress along this line and has reduced the paper circulation considerably since the first of the year. If this reduction is continued and no important increases are made at the beginning of next year, exchange should soon reach a stable basis.

An unfavorable factor is the large increase in the floating debt which has taken place this year. The market has been able to absorb large quantities of Treasury notes and this has made it unnecessary to have recourse to the issue of new paper money. However, this floating debt is, of course, a constant menace. Good progress has been made towards the elimination of the deficit. The deficit on June 30th was about 10,000,000,000 lire; it is now estimated that on June 30th, 1922, it will be reduced to 5,000,000,000 lire, but this figure will depend somewhat on future appropriations made by Parliament. At the present time a great deal of discussion is going on in Parliament as regards subsidies for the shipbuilding industry and expenditure on public works to relieve unemployment.



## Safety Devices

### Of the National Affiliated Safety Organizations

**Comfort Safety Goggles**—To protect eyes against flying dust, metal chips or glare of light.

**Arc Welders' Helmets**—To shield eyes against intense rays of the electric light.

**Leggings**—To protect foundrymen's legs against molten metal.

**Shoes**—To protect workmen's feet against molten metal.

**Respirators**—To prevent inhalation of harmful dust or fumes.

**Knuckle Guards**—To protect hands when wheeling barrows or trucks through doorways or narrow passages.

**Ladder Feet**—To prevent ladders from slipping.

**Chip Guards**—To protect eyes from injury by chips thrown from lathe tools.

**Metal Danger Signs**—Portable, for use in shop, yard or street.

**Linen Danger Signs**—Various warnings of danger, for attaching to sign boards or partitions.

**Rules for Cranemen**—For guidance of crane operators and others.

**First Aid Jars**—Emergency outfit especially developed for industrial use.

**Stretchers**—Sanitary metal stretchers, which can also be used as cots.

**Shaft Protector**—Spirally wound mailing tubes, to prevent injury to persons if their hair or clothing should catch on shafting.

The NASO Safety Devices were developed through the co-operation and at the expense of the associations comprising the National Affiliated Safety Organizations—the National Association of Manufacturers, 50 Church Street, New York City; the National Founders' Association, 29 LaSalle Street, Chicago; and the National Metal Trades Association, Peoples Gas Building, Chicago.

The NASO Devices are all sold at practically cost price, but any profits derived from sales are utilized for further research and development work along safety lines.

Information may be obtained from the Secretary of the National Founders' Association.



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### INCREASES BY CO-EFFICIENTS

As a convenient means of increasing or decreasing tariff duties without the trouble of revising the whole tariff laws, France, Belgium and Italy have adopted a system of co-efficients for this purpose.

In France and Belgium by the laws of July 8, 1919, and June 10, 1920, establishing co-efficients, the duties are assessed by multiplying the amount of the specific rate payable under the customs tariff by the co-efficient relating to such goods and the product thus obtained represents the amount of duty to be paid.

In the new Italian tariff of June 9, 1921, the use of co-efficients is somewhat different. The duties are to be calculated by multiplying the co-efficient by the specific rate and adding the result to the specific rate.

Taking as examples an article on which the tariff law fixes a rate of 80 francs or liras per hundred kilos, the result of a co-efficient of say 1.8 in these countries would be as follows:  
France or Belgium,  $80 \times 1.8 = 144$ .  
Italy, 80 plus  $(80 \times 1.8) = 224$ .

### BRAZILIAN TIMBER LAND

The high cost of lumber is naturally drawing attention to the possibility of securing timber of various kinds at lower costs than now prevail. Brazil is one of the great countries of the world which has vast timber resources but little exploited. Throughout southern Brazil large tracts of valuable timber land contain great quantities of "soft pine." Many title holders of these lands are reported by the American Chamber of Commerce of Sao Paulo to desire to sell their holdings to American investors. Throughout this region there are also large tracts of open country suitable for pasturage purposes in which minerals of various kinds are found, and where hydro-electric power might readily be developed for mining and other operations.

(Continued from page 14.)  
the tendency which some men exhibited to "beat the game" under any and every circumstance, the two most common forms of misuse of the trade acceptance are the taking of acceptances for past-due and slow-pay accounts and the renewal of acceptances at their due dates. It is, of course, impossible to secure the proper benefits from the trade acceptance unless it is used in accordance with the recognized principles and regulations which have been carefully worked out by those who were primarily responsible for its introduction to American business. No valid complaint has ever come from those who have conscientiously observed every rule.

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and that works for you  
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Brush Manufacturers for Over 112 Years and the  
Largest in the World

# The Collapse of the Krone

**W**ITH the collapse in the exchange value of the krone, Austria is undergoing another economic and financial spasm. Since July 16 the crown has dropped from 650 to the American dollars to about 3,000. The 100-crown note, whose pre-war value was \$20, is now about the minimum unit of daily use, and 10,000-crown notes cannot be printed fast enough to meet the needs of business.

For the last month the government presses have been printing some 5,000,000,000 kronen a week to meet current expenses. The issues will have to be increased to meet the demands of the great army of civil servants for a living wage. Within a month they have received increases amounting to about 5,000,000,000 kronen and already, with steadily falling exchange and the equally steady advance in living costs, they are formulating new demands.

The same is true of private business. In every class of industry and wage earning, employers are being forced to raise pay, while prices of everything mount.

When the collapse of the currency set in so feverishly a few weeks ago a

swarm of alien buyers swept over the country. They bought everything they saw that had a value. Stores were stripped of stocks until the majority of merchants began to retire their goods or to refuse to sell more than one article to a customer.

These foreign buyers were aided by natives in the general desire to get rid of Austrian money. The feeling was that anything was better than the crown.

The most serious feature of the situation, however, is the alarming increase in food prices. The increase in wages has not been equal to this rise and the result is much unrest among the poorer classes. Women have been storming the public markets, overturning stalls and in some cases beating marketmen.

In the height of the panic many articles of food disappeared magically from the shops to reappear at greatly enhanced prices. Canned milk, for instance, jumped from 180 crowns to 256, and this article is a fair index of increased prices.

Tailors are demanding pay in pound sterling and refusing crowns. Jewelers

ask for Swiss francs, despite the law forbidding business in foreign moneys.

## GERMANS IN THE SPANISH MARKET

According to statements in the Spanish press it is expected that Germans will shortly invade the market with auto accessories and spare parts, the automobile division of the Department of Commerce reports.

Electrical accessories especially will be sold by the Germans at advantage, as through the possession of Silesian mines they will be able to produce the necessary ingredients cheaply and of good quality. Through contract with Bohemia the Germans will be helped in the manufacture of porcelain, which will enable them to offer spark plugs at low prices.

## ARGENTINE CONTRACT COMES HERE

Formal approval has been given by the Argentina Government to the contract awarded to American locomotive interests for railway materials totaling \$6,500,000, the Department of Commerce is advised. The Government's approval was obtained, it was said, notwithstanding the efforts of German-owned and controlled newspapers in that country to bring about the abrogation of the contract.

## Your Own Foreign Shipping Department

Our arrangement with the National Association of Manufacturers is absolute insurance against evils of speculation in freight rates and attempts to make concealed profits by increasing rates on freight, insurance, cartage, custom house bonds, etc., or by secretly accepting rebates on rates paid.

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BOSTON OFFICE: 40 CENTRAL STREET

CHICAGO OFFICE: 20 WEST JACKSON BOULEVARD

Official Forwarders to the National Association of Manufacturers, 50 Church St., New York City.



Vol. XXII

JANUARY, 1922

No. 6

# Getting Power And Saving Coal

*Tremendous development of hydro-electric systems throughout the United States is now saving 33,000,000 tons of coal yearly and effecting other outstanding economies in the industrial field*

*Written especially for AMERICAN INDUSTRIES*

By **CHARLES H. HUNTLEY**  
General Electric Company

**B**EFORE the adoption of electricity for driving the machinery of industrial establishments, what water power development had been accomplished was necessarily restricted to the immediate vicinity of the power site, except in rare instances. Around waterfalls grew up groups of mills, ranging all the way from small grist and saw mills to large manufacturing establishments. But there was no way in which the power thus generated could be transmitted to cities and villages on plains distant from the waterfall or located on higher elevations.

With the coming of electric power all this was changed. Electric current may be transmitted for many miles from the place where it is generated. A great river may be made to turn the

wheels of factories in innumerable communities high above its banks, and the waterfall in the remote mountains may be harnessed to the task of furnishing light and power to a city leagues away.

The year 1921 witnessed a notable achievement in obtaining data on transmission. At the Pittsfield Works of the General Electric Company electric energy was generated and transmitted at the enormous electrical pressure of a million volts, demonstrating that, when necessary to do so, current can be sent for much greater distances than have heretofore been considered practicable. The success of this experiment has greatly widened the horizon of the electrical energy field. In California a transmission system is now being constructed which provides for

transmitting current over a distance of about 200 miles, which is in itself a notable feature of progress in this direction and establishes a record among things of the kind.

Several factors are hastening water power development in the United States. One is, of course, the cheapness of electric current thus generated as compared with the cost of generating it from coal, which is becoming more and more expensive; its reliability, for it is subject to no delay or stoppage in production or transportation, and the enormous demand for electrical energy.

Some idea of this demand may be gained from the fact that during last May the public utility plants, alone, of the country produced over 3,268,000 kilowatt hours, 1,327,000 being gener-



Power House, Dam, Lock, Dry-Dock, Mississippi River Power Company, Keokuk, Iowa

ated by water power and 1,941,000 by the use of fuels. The fuels used included 2,418,348 tons of coal, 844,085 barrels of fuel oil, and 1,986,590 feet of natural gas.

#### Our Water Power Resources

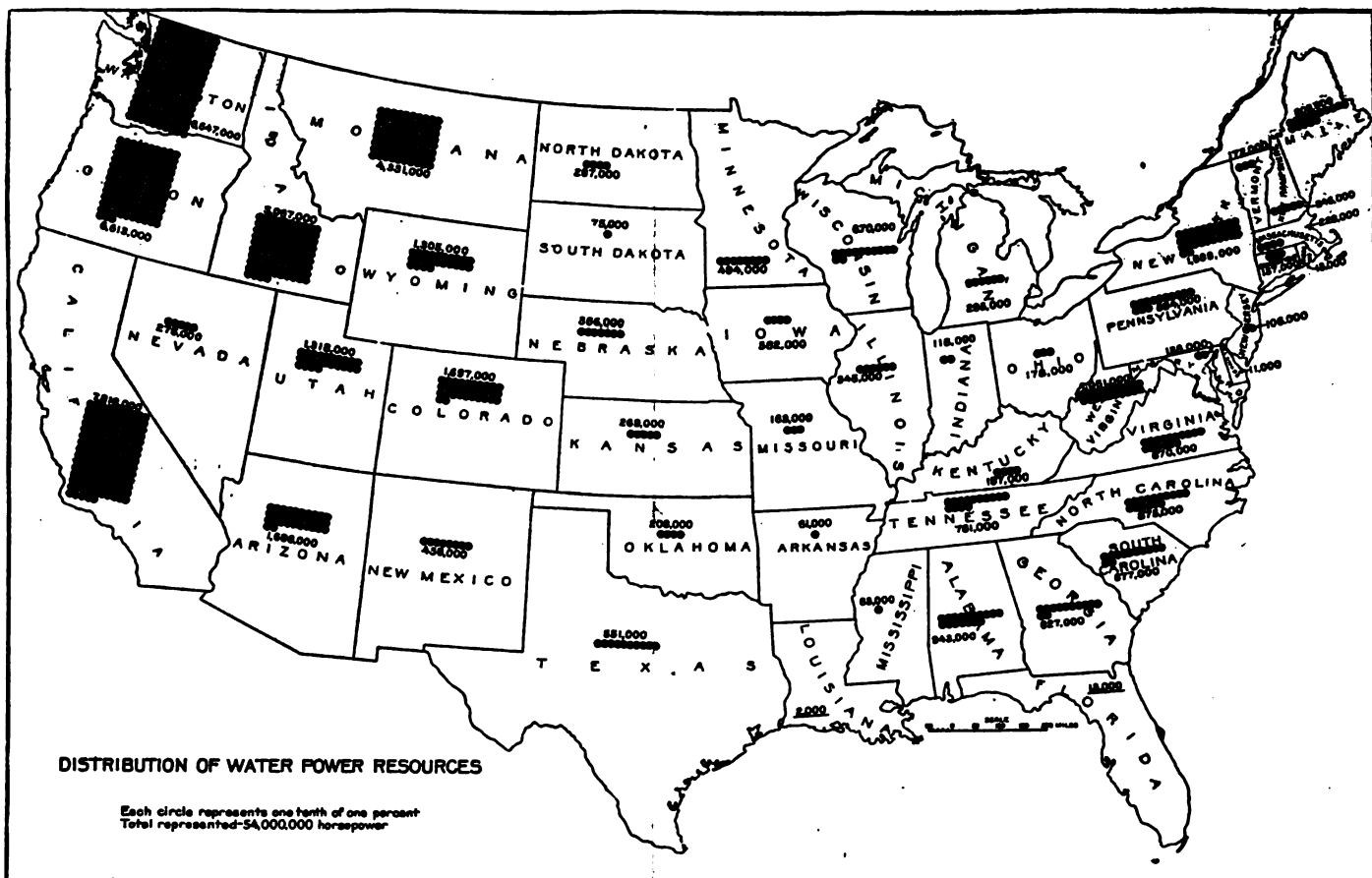
The water power resources of the United States, developed and undeveloped, total approximately 60,000,000 horsepower, according to the estimate of the Department of the Interior. Of this tremendous total, only about 6,000,000 is as yet developed. Nevertheless this one-tenth that has been utilized saves the United States upwards of 33,000,000 tons of coal annually. Were all the hydro-electric resources

country, it is estimated. In 1918 they consumed 163,000,000 tons, and 45,700,000 barrels of oil, the total being equivalent to 176,000,000 tons of coal. Thus the gain that would result from the electrification of railroads in general is apparent. It is made emphatic by the fact that a considerable amount of the energy of steam locomotives has to be used for hauling the fuel they use. It is estimated that for every ton of freight moved for a distance of a mile, including loaded cars and engine, the locomotive hauling it uses 290 pounds of coal, whereas the electric locomotive accomplishes it, where the current it uses is generated by steam, at the expenditure of one hundred

#### Electrification of Railroads

The United States has a greater mileage of electrified railroads and more electric locomotives than any other country. According to an estimate made not long ago it has a total of about five thousand miles of electrified lines. As compared with about 1,200 in all other countries combined, and there were approximately 700 electric locomotives in operation on both steam and trolley roads which handle freight and passenger service as compared with less than 500 in all other countries.

One of the primary causes for the adoption of electricity by railroads in the United States was the desire to eliminate smoke and fumes at termin-



Where the nation's resources of water power lie

of the country developed, it would mean that the approximately 50,000,000 horsepower now generated by both fuel and water power would be more than doubled.

An incidental gain would be the lessening of the demand on railroad facilities for the transportation of coal. It is estimated that the development of all the water power resources of the country would mean the freeing of 7,000,000 cars annually from use for hauling fuel and make them available for other work.

The railroads use an immense quantity of coal—approximately one-fourth the entire amount produced in the

pounds. The distribution of railroad coal requires, it is said, a tonnage amounting to about twenty per cent of the total revenue-producing freight ton mileage of the land lines of the country. The steam locomotive, moreover, wastes about a third of the coal it burns in "standby losses"—that is, in losses occasioned by the necessity for keeping up steam when the locomotive is in the roundhouse, is idle on a siding, etc. There are none of these in the case of the electric locomotive; in fact, it actually generates current through regenerative braking—turning the motors into generators—when coasting down a grade.

als; and in the approximately twenty-five years during which this process has been going on, a number of the largest railroad systems in the country have substituted it for steam in such places, with a consequent increase in the value of the property in the neighborhood of the terminals. A conspicuous example of it is the Grand Central Terminal in New York, used by the New York Central and the New York, New Haven and Hartford, both of them four-track systems. The former is electrified to Harmon, about thirty miles north of New York, and the latter from New York to New Haven, approximately 80 miles. The difference made in condi-



tions at the terminal by the electrification is shown by the accompanying illustration.

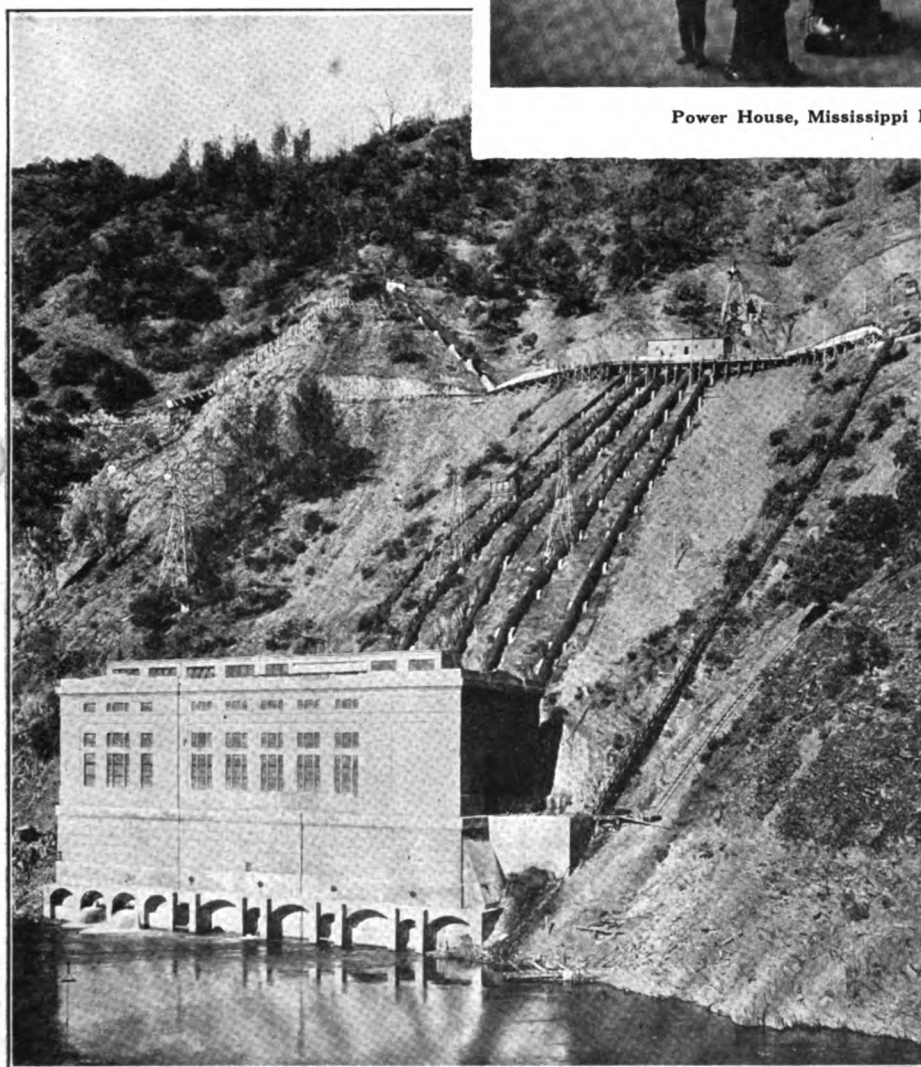
It was an entirely different reason that in 1913 led the Butte, Anaconda and Pacific, a thirty-mile line reaching some of the richest copper mining sections of the western part of the country, and characterized by steep grades and many curves, to adopt electricity as a motive power. Economy was the motive in this case. That it was successful is evidenced by the fact that at the end of the first year it was shown that electricity had effected a 35 per cent increase in tonnage per train, and a 25 per cent decrease in the number of trains. The net saving for a year due to the change was placed at \$258,000, equivalent to a rate sufficient to enable the railroad to pay the cost of installation in five years. This was the first railroad in the country to use water power for generating current.

#### All Current from Water Power

Three years later, the Chicago, Milwaukee and St. Paul Railroad, one of the largest transportation systems of the country, began the electrification of



Power House, Mississippi Power Company, Keokuk, Iowa



Big Bend Power Plant, Feather River, California

six of its main line divisions over the Rocky, Bitter Root and Cascade Mountains. This system now operates 660 miles of electrified lines, all the current being generated by water power. The company estimates that the use of electric locomotives has released 162 steam locomotives for use elsewhere, with an annual saving in fuel of about 300,000 tons of coal and 40,000,000 gallons of oil. It is claimed that enough money has been saved by means of the change to make an attractive return on the amount invested in electrification, to say nothing of the steam locomotives released for work on other lines.

An enormous quantity of electricity is used for power and light in the United States. Not only is electricity displacing steam as the motive power for factories, but the individual motor for each separate machine is taking the place of the line shaft and belting.

In the industrial field, exclusive of public utilities and railroads, about 30 per cent of the current used is generated by water power. And when it is realized that even with this enormous quantity, only a small part of the nation's hydro-electric resources have been developed, the magnitude of future development is apparent.

Niagara is the most conspicuous of the water power sources of the coun-

try. The great river, outlet of the Great Lakes, drops about 160 feet there, increasing to 210 feet at the point where the power is developed. Its potential power is enormous, and although only a certain portion of the water is permitted to be diverted for power purposes for fear of destroying the scenic beauty of the cataract, the actual output is also enormous. At Fully, Switzerland, there is a hydro-electric plant driven by water that falls thirty-three times as great a distance as that at Niagara—over a mile; yet the power generated by only one of the plants at Niagara is nearly twenty-six times as great.

The Mississippi, one of the world's greatest rivers, is being made to generate electricity. Between the cities of Keokuk, Iowa, and Hamilton, Illinois, on the site of what was formerly the Des Moines rapids, a concrete dam 4,649 feet long, 29 feet wide at the top and 42 feet at the bottom, and with an average height from the bottom of about 53 feet, has been built. Its construction has formed a lake covering an area of approximately 43,000 acres, from one to three miles wide and extending 63 miles upstream to Burling, Iowa. Thus navigation, which formerly was difficult when the water in the river was low, has been greatly facilitated. Steamers make their way around the dam through a lock 400 feet long and 110 feet wide—the same width as that of the locks of the Panama Canal. The plant was planned for an ultimate capacity of 300,000 horsepower and to serve a territory within a radius of 200 miles from Keokuk.

#### Producing Millions of Horsepower

A proposition of vastly greater magnitude is under consideration—the development of the potential power of the Colorado River, the second largest river system of the United States, which has a drainage area of 250,000 square miles. The 3,000 feet of waterfall involved will, it is estimated, produce 4,350,000 horsepower, which

is equal to one-half the total amount of hydro-electric power now generated in the entire country. Four hundred miles of the river will be made navigable, a storage basin more than 200 miles long will be created, impounding 40,000,000 acre feet of water, provision will be made for the irrigation of an additional 3,250,000 acres of land, and the flood control will be absolute. It is estimated that it would save 90,000,000 barrels of fuel oil, practically equivalent to the entire annual oil production of the State of California, and it is claimed that the increase in community wealth it would bring would be equal to the total valuation of California for the year 1920.

These are conspicuous examples of the development, accomplished or projected, of the hydro-electric resources

many notable examples in the United States and elsewhere, but which has been adopted in Europe as standard for the railways also of Great Britain, France and Holland.

The equipment to be supplied by the Sociedad Iberica de Construcciones Electricas will consist of six 78-metric ton, six motor locomotives, two complete sub-stations, each comprising two 1500 kilowatt, three unit motor generator sets, transformers and switchgear and the material necessary for line construction.

The first electrification project of the Spanish Northern comprises about forty miles of the Leon-Gijon line running through the mountains between Ujo and Busdongo. Although this is a single-track line, traffic is extremely heavy, as it is a link between the min-

ing district and the northern seaboard through a mountainous region with many tunnels, considerable grades and severe climatic conditions. The electric locomotives on order will be of the freight type. The locomotives will be arranged for regenerative braking, and will operate at 3,000 volts. The locomotive speed at continuous rating is 35 kilometers an hour. Pantograph collectors will be used similar to those on the Chicago, Milwaukee and St. Paul Railroad locomotives, having a double contact shoe.

Another installation of interest

which is in process of being made is that of a 28-mile section of the Paulista Railway, Brazil. The contract for this, which was awarded to the International General Electric Company, Inc., included eight freight locomotives weighing 100 tons each, and four passenger locomotives weighing 120 tons each; the equipment of a complete 3,000 volt direct current sub-station of 4,500 K.W. capacity consisting of three 1,500 K.W., three unit motor generator sets, transformers, switches and high tension equipment; overhead line material for 122 kilometers of track; and material for 16 kilometers of 88,000 volt, three phase, 60 cycle high tension transmission.

(Continued on page 47.)



Puget Sound Power Company Plant, Electron, Washington

of the United States. The development of hydro-electric resources in other countries is gaining.

A contract for the electrification of forty miles of the Spanish Northern railway was recently announced by The Sociedad Iberica de Construcciones Electricas, of Madrid, Spain, one of the associated companies of the International General Electric Company, Inc., of New York. This initial order constitutes the most recent and one of the largest European railway electrification projects now under development.

The Spanish Northern electrification will employ the high voltage direct current system, which not only has so

# American Valuation Convention

*National Association of Manufacturers to hold meeting in Washington this month to urge upon Congress the immediate passage of a tariff bill of some kind to relieve the insecure feeling*

WITH the sole purpose of demanding that Congress pass immediately a tariff bill of one form or another, and thus relieve the nation's manufacturers of the doubt and anxiety at present existing regarding world business, the National Association of Manufacturers will hold a special convention in Washington at the Willard Hotel on January 30 and 31. The manufacturers are convinced that Congressional delay over the tariff is retarding the restoration of business in many lines. They believe that definite action is imperative and that a settlement of the tariff uncertainty will be one of the most effective agencies toward a stabilization of business and a solution of the unemployment problem.

The fundamental topic of discussion will be the American Valuation Plan, around which so much of the fight over the tariff bill now centers. The manufacturers, in urging quick action by Congress, are asking only that the imposition of all *ad valorem* duties be upon the basis of American values, instead of upon foreign values as is the practice to-day. They are seeking no participation in the making of the tariff schedules or rates, or in the framing of the bill.

The National Association of Manufacturers will go to Washington with a large majority backing of the manufacturers of the country, as shown in a recent referendum, made throughout the nation and just completed. The vote, which was taken among something like 6,000 manufacturers, who employ nearly three million persons, shows them to be 77.7 per cent in favor of the American Valuation Plan; 20.7 opposed to it; while 1.6 per cent of the ballots cast were defective. The vote represents a total of 2,336,000 employees on the side of American Valuation and a total of 621,000 on the side opposed. The referendum was the result of a request made recently by business men asking the association to sense the feeling of general business and manufacturers on the subject. The association called a meeting on November 17, which was attended by more than one hundred and fifty delegates from manufacturing concerns and industrial organizations throughout the country. This general meeting passed

resolutions asking the National Association of Manufacturers to call the special convention which is to be held this month and the referendum was taken just before the call was sent out.

Manufacturers representing organizations from every part of the country; representatives from state manufacturing associations; and individual manufacturers with no organization affiliations will be called into the discussion to impress upon Congress the great urgency for action, so that confusion may be eliminated and the manufacturers know where they stand. At present, with the tariff bill in a state of flux, the manufacturers' unrest is felt directly or indirectly throughout all avenues of business.

John E. Edgerton, president of the National Association of Manufacturers, in emphasizing the importance of the forthcoming convention, said:

"One of the quickest and most effective means of restoring the equilibrium of our economic nation, it seems to me, will be in Congress taking up the matter of tariff at once and disposing of it; no matter what kind of a tariff bill it gives us. Everyone will not be completely satisfied nor completely dissatisfied, no matter what kind of a tariff bill we get. But everyone, certainly, is completely dissatisfied, disturbed and confused to-day by Congress constantly talking of tariff bills and giving us none.

"Our special convention is asking no participation in the framing of any kind of a bill. It is asking only that the basis of the tariff be upon the value of goods in the United States and not their value in the country of origin. This request represents the desire of a large number of manufacturers. We believe in American valuation for the following chief reasons:

"1. It will prevent undervaluation for the reason that the value will be determined by the United States Government in this country where we have jurisdiction to subpoena witnesses to get at all the facts.

"2. It will result in securing more revenue from low priced countries because the American value will be the same for any article regardless of the country from which it is imported into the United States.

"3. This plan will make it possible to treat all foreign countries alike by imposing the same duty upon the same article regardless of the country from which it comes, in accordance with our treaty obligations.

"4. This plan will make it unnecessary for this government to carry on foreign inquisition in an almost fruitless attempt to secure foreign values for the purpose of administering our tariff laws.

"5. The American Valuation Plan meets the difficulties now confronting this country in imposing *ad valorem* duties, due to depreciation of foreign currency. Under the present law, the greater the depreciation the less the duty, so that those countries whose currency has depreciated to the greatest extent pay the smallest amount in duty.

"6. The American Valuation Plan will be easier to administer within the intent and meaning of the law. Under this plan, we only have to have the wholesale value in one country. Under the present law, we have to attempt to be familiar with the wholesale values in more than one hundred different countries from which articles may be imported into the United States.

"7. The American Valuation Plan will make it possible to get an adequate protective tariff at this time against ruinous foreign competition, giving to the American workman an opportunity to earn a living.

"It is of course easier to secure the American wholesale value of any commodity than it is to secure the wholesale value in the various foreign countries as required under the existing law. Unless the American Valuation Plan be adopted the present chaotic condition will continue indefinitely."

## AMERICAN AND FALSE VALUATIONS

By Hon. Marion DeVries  
Chief Judge, U. S. Court of Customs Appeals

Every day millions of dollars worth of goods are being imported into the United States without the requirement of a single oath by any person whomsoever abroad or in this country, and under adopted forms of entry and declarations that are absolutely without any force or effect.

This may sound astounding but is nevertheless true as official investiga-



tion will prove. Forms of declaration of the Treasury Department will substantiate this. Therefore, is it any wonder that under the present system at the port of New York alone, during the year 1920, 5,987 declarations were challenged by the appraiser as undervalued and the invoices accordingly raised; and that during the month of February, 1921, alone there were 418 such? For my part I hold that entry should be permitted on no imported goods except under oath of the importer or the party importing such, and that if entered by an agent that agent should be made amenable by law to the guilty knowledge of the principal.

The import tariff is a tax which in all cases here pertinent is levied upon the foreign value of the imported article, and the invoice and entry papers are the tax statements. Why is it then that in all other cases and as to all other taxes in this country, municipal, state and Federal, the taxpayer is required to make oath as to values in his tax statements, and not as to import taxes? Is there any reason why we should by law challenge the integrity and patriotism of our own, and admit that of the foreigners? Let us hope, as I confidently believe, that the present Congress will rest the certainty of its import revenues upon the stable basis of American conditions rather than the unrestrained foreign conscience and unverified foreign invoice and ineffective declarations.

#### Activity of Opponents

This statement, made previously by me, has been challenged by those opposed to American valuation. It is in harmony with much of the great flood of statements against this American plan the country is being deluged with by those who are intentionally or recklessly advocating the upbuilding of foreign industries and the employment of foreign labor, as against such patriotic endeavors as are being put forth by your and other organizations and individuals in behalf of American industries and American labor.

If the controversy were conducted with candor and fairness the principle of American valuation for our imported wares would have no disputants by reason of the single indisputable truth, that it has nothing whatsoever to do with the rate or amount of duties to be paid. It levies no duty. It makes neither a high nor a low nor any tariff. It does, however, fix a certain, uniform, less defeasible and fraud proof basis for our revenues, and for the duties levied in defense of our industries and labor.

In disguise of the real purpose of the attack, therefore, and in utter disregard and in misrepresentation of the truth of the situation, this proposed

basis of duties is denounced as responsible for the rate prescribed. Candid, fair, honest presentation would direct those efforts against the proposed rate, but not the proposed basis of duties.

Proof conclusive is that should the entire administrative features of the Fordney bill be enacted into law, including the American Valuation features, and all other laws be repealed, we would have in this country absolutely free trade.

The only things that possibly can affect the importer's interests under any system are the duties to be paid and penalties for undervaluation. The amount of duties to be paid as stated depends upon the rate established and in no wise, in the remotest degree, depends upon the basis of those duties. So, that element of the case is clearly excluded. Nevertheless, by sophistry and for the purpose of clouding and falsely representing the real issue we daily observe this ridiculously false claim asserted.

#### Have They Read the Law?

Typical of the arguments with which the country is being flooded is one before me of a certain college professor. Reading it carefully I count numerous misrepresentations of what is the declared purpose of the committees of Congress to write in the law. I dare say not one in a hundred of these critics have ever read intelligently the proposed law or know its several provisions affecting this plan of assessment. Obviously if they have they carefully conceal them and their import from the country. Such disputant sets up a bogymen the result of his immature ideas how the law would be enacted and fires a broadside at this creation. Candid, intelligent, patriotic discussion ought to be confined to the truth.

The sole and only thing the basis of duties affects or effects is the penalties for undervaluation. And here lies the pinch.

It is said first that no importer can know at what value to enter his goods. What is to be known is the value in our markets (1), of like or similar American goods (2), or if none such, of like or similar imported goods (3), if none such, the cost of production abroad of the imported article plus freight, charges and duties to our markets. What is it this proposed law requires of the importing merchant that is impracticable and theoretical? Why nothing more or less than what of necessity every successful merchant now knows.

Are our importing merchants ordering and importing into this country millions of dollars worth of goods without first knowing exactly what both the competing domestic and

competing foreign article is selling for in our markets? Will a single, capable successful importing merchant of this country stand up and say that he is ordering and importing goods into this country without first finding the principal markets therefor and values thereof in such markets and the values of all other competing goods American and foreign therein?

#### Opportunity to Know Market

Business men are not that reckless as to engage in competition in our markets without first knowing those markets. And while those markets vary they do so no more than, if as much as, the foreign markets, now the standard of our appraisements. On the contrary, being in the midst of our markets and intimately in touch therewith by means of the telegraph, telephone and daily quotations of the press, all to be supplemented by the Government agencies for that purpose provided by the Fordney bill, they can exactly inform themselves every hour of every day of the exact market value of all competing American and imported merchandise. Upon the other hand the present system required that the merchant for entry purpose inform himself of the market value of the imported goods for home consumption in the distant foreign country and at the time of exportation. Now which is the more practicable? Which is the more reasonable, to require the merchant to be advised of his competing values in this country, or local values of some country thousands of miles away. The plain truth is, as known to all familiar with these proceedings, that the latter cannot be practically or effectively done either by the merchant for entry purposes or the appraising officers for appraisement, and, if falsely done cannot be so shown because in ninety-nine cases out of every hundred it is beyond our jurisdiction for inquiry or punishment. All who know anything of this system know its results simply in the invoice or export value being accepted as the foreign home market value. That export value more often than not actually differs from the foreign home market value.

Under the existing system, therefore, it results, and has obtained for over one hundred years, that the foreign exporter without any oath or other constraint than his conscience fixes the value upon which our import customs duties are levied. Why not have him also fix the rates? Common sense renders it obvious that it is just as effective to have the power to fix the basis as the rates of our tariff laws. Either is a power to effectively destroy both the revenue and protection thereby secured. If there were not other virtue

(Continued on page 26.)



# Meat For The Nation's Millions

*No greater romance in industry and commerce than that which centers about the gigantic growth of the meat packing industry with its vast ramifications essential to the needs of 100,000,000 people*

*Written especially for AMERICAN INDUSTRIES*

**By FRANKLIN GAYNOR**

*(Photos copyrighted by Bing Gallows)*

**T**HE history of the meat industry in the United States is marked by three fairly distinct stages of development. In the earliest stage of slaughtering, it was a local business. Meats that were served on the consumer's table were produced for the most part in the same community. Sometimes the farmer provided his own meats; but as time went on he generally found it profitable to sell his live stock to the local butcher, who killed the animals, dressed the meat, and sold the product to the families of the neighborhood.

The second stage began with the extension of railroad facilities into the West, which made it possible to transport the Western animals to the Eastern markets for slaughter and local consumption. As early as the Civil War the greater portion of the cattle, sheep, and hogs slaughtered in Eastern plants were transported from the West.

As population moved westward packing plants were built in nearby territories to supply the new communities with fresh meat. Owing to the lack of refrigeration these plants could not ship fresh meat to other communities. They could, however, ship meat products which had been cured or canned. Many of these products were packed in containers with salt or brine, from which fact the "packing house" takes its name.

The plants which located in Chicago shortly after the Civil War, 1861-65, supplied fresh meats to the local trade and shipped a considerable quantity of cured meats. But that did not absorb any large proportion of the live stock on the Chicago market; a majority of that stock continued to be reshipped to Eastern packing plants for a number of years.

Shipping live stock on the hoof to Eastern markets was both risky and

wasteful. Many of the animals died on the long journey. Owing to the length of the haul the stock arrived much shrunken in weight. At certain points on the road it was necessary to unload, feed, water, and rest the stock, all of which involved expense. In addition there was the fact that only a little more than half the animal dressed out as meat, and in those days the balance, with the exception of the hides, was waste. Thus, to the other wastes of the system must be added nearly half the freight cost.

## **The Refrigerator Car**

The third stage in the history of the packing industry really began with the attempt to eliminate the wastes of transportation through the use of refrigerator cars. The man chiefly responsible for the improvement in the transportation facilities for meats was Mr. Gustavus F. Swift, who began

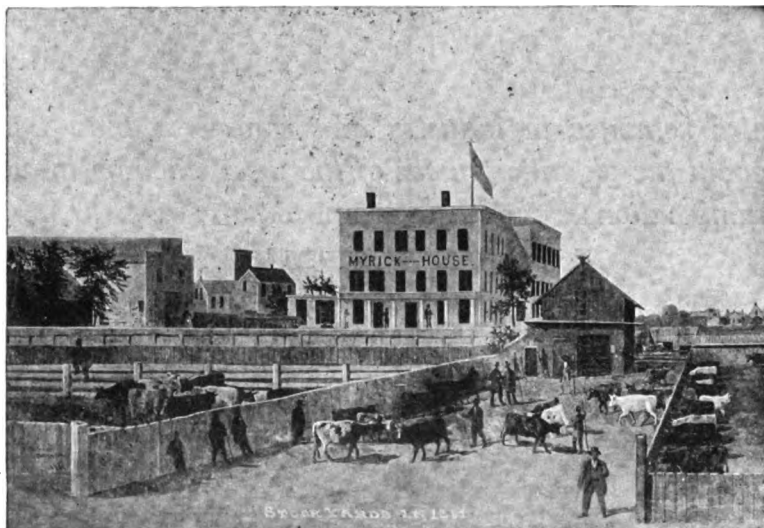


The sheep market in the great Union Stock Yards at Chicago, where buyers make their choice of animals

business in Chicago in 1875 as a cattle dealer. Before long, however, he conceived the idea that the proper solution of the meat business was to be found in the slaughter of animals in the Middle West and West, where they could be most economically produced, and the shipment of the dressed meat to Eastern markets. In order to carry out his ideas it was necessary to overcome a number of obstacles. In the first place, it was necessary to develop a refrigerator car that would carry dressed meat; in the second place, the people of the East were naturally prejudiced in favor of home-killed meats—they had little faith in the superior quality of Western dressed meats; and then there was the opposition of all the vested interests such as the railroads which supplied stock cars for the carriage of live animals, the dealers and shippers who made a business of shipping cattle, and the stock yards and local slaughtering interests of the East who naturally did not care to have their business taken away by Western slaughterers.

The introduction and development of the refrigerator car after a long fight against conservation prejudices have made the large packer an absolute necessity in the meat business of the country. At the present time two-thirds of the live stock of the country are grown west of the Mississippi River, while approximately two-thirds of the population live to the East of it. Under these conditions either the live animals or fresh meats must be shipped from West to East, and it has been found to be more economical to ship fresh meat in refrigerator cars from the producing sections than to ship the live animals.

Only a large packer, with a nation-wide distributing organization, is capable of moving meat products from producing to consuming sections with proper dispatch and



Where the famous Chicago Stock Yards had their beginning in 1861

economy. In the absence of these organizations there would be alternate gluts and scarcities in the large Eastern markets. The fact remains, however, that hundreds of small packers who transact mostly a local business are also indispensable to the proper development of the industry, but their business is essentially different in character from that of the large packers—so different as to make the two kinds of business not strictly comparable with one another.

Although as before stated, they are practically indispensable.

operated some plants in the East, especially around New York. These Eastern plants draw their supply of live-stock partly from local sources, and a part of the supply is shipped on from Chicago and other Western points. Two important reasons why some slaughtering is still carried on in the East are: first, a preference among some people for locally dressed meats; and second, what is much more important, the custom of the Orthodox Jews, which requires that they eat freshly killed beef. Slaughtering establishments in the East are also necessary to

take care of the calves marketed by dairy farmers and of the sheep raised in Eastern states. On the whole, however, the packing business in the East is extremely small when compared with the business as it has developed in the West.

The growth of the large packers as measured by volume of sales has been very rapid during the past ten or twelve years. For the most part, the tremendous increase in sales during the past five years has been due to higher prices rather than to an increase in tonnage, but the tonnage has also shown substantial increases. From the point of view of volume of sales, number of employees, and capital employed, the packing industry is now one of the largest industries in the United States.

Something of the importance of the packing



A small section of the great yards to-day

#### Packers Follow Population Growth



Buying and marketing cattle in the Stock Yards

industry to the country at large may be shown by reference to the volume of exports during the past five or six years. Before the war, the United States was practically on a self-suffi-

cient basis. Exports of beef were very small. Our meat exports consisted largely of pork products. After the beginning of hostilities in Europe, however, we exported larger and larger

quantities of meat products for the American army abroad and for the Allies, until during 1918 nearly one-third of the output of the large packing houses went overseas.



Typical corral in the Stock Yards, into which cattle from the Far West are brought before slaughter



### The Growth of Exports

The tremendous increase in exports during the war years is shown by the following figures:

	Beef Products Pounds	Pork Products Pounds
1914 ...	186,583,000	827,524,000
1915 ...	536,056,000	1,366,896,000
1916 ...	391,054,000	1,451,287,000
1917 ...	404,041,000	1,300,000,000
1918 ...	792,786,000	2,250,703,000
1919 ...	434,293,000	2,640,777,000

This vast increase in exports gives some idea of what the packers were able to do in the fulfillment of war demands. There is probably no indus-

tric cantonments but also of the population at home.

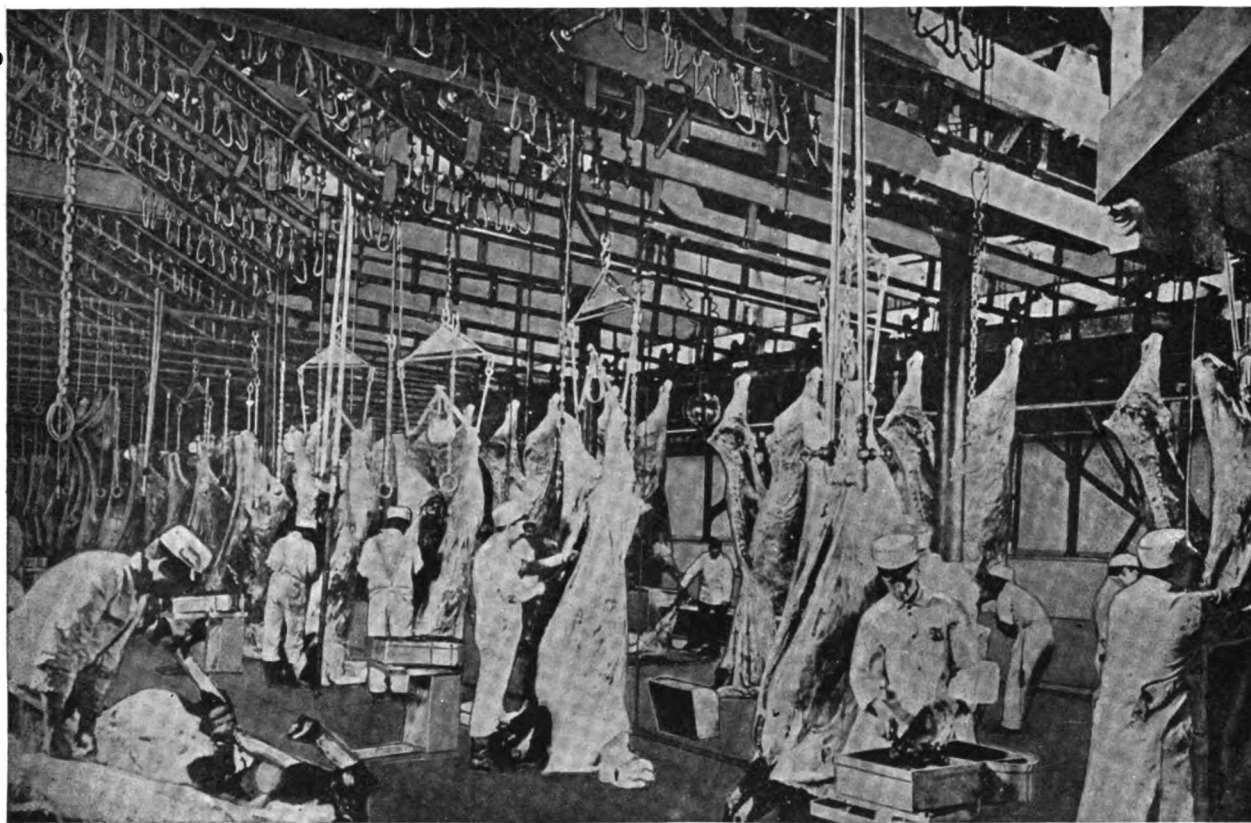
The position of the packing industry in the economic organization of the country will be better understood by describing the steps through which live stock passes on the way from the producer to consumer, and by describing the functions actually performed by the packer in this process.

To begin with, live stock is shipped from country points in a variety of ways. The farmer who has enough animals to fill a car may ship direct to a large live-stock market; or, especially if he has less than a carload to market at any one time, he may sell to a local stock buyer, who combines the offer-

and watered, and held until ready for slaughter, or in some cases until shipped to markets further east. The live stock comes to the stockyards consigned to commission merchants, who attend to feeding and watering, and who are expert salesmen. They attend to these matters more efficiently than could the shippers themselves, and their charges average about 50 cents per head for cattle and 12 cents per head for hogs.

### The "Stockyards" Market

The buyers in the stockyards are the packers—large and small; shippers who buy for reshipment to other markets; and dealers and speculators.



Final cleaning up and dressing of beef

try in the country that was able to play its part in the great war so effectively, so promptly, and so efficiently as the packing industry. This is due to the fact that the industry became organized on such a large-scale basis, both with regard to the packing plants themselves and with regard to its selling organizations, that it was not only national but international in scope.

It is little realized how great were the needs of the Allies and of the American army abroad, and how dependent the Government was on the packers during the war crisis. One packing company alone shipped as many as one thousand carloads of meat products in a single week for overseas shipment, and at the same time was able to take care not only of the domes-

ings of individual farmers into carloads; or farmers at a country point may have a coöperative shipping association.

The railroads provide stock pens at country shipping points to care for the animals until time for loading, and operate special trains of live-stock cars to the principal markets. Owners of stock or other representatives, who are given transportation on these stock trains, generally accompany the animals to market to see that they are properly fed and cared for.

Most of the live-stock shipments of the country move to certain large live-stock markets in the Central West, where the packers have their plants. Each of these markets has stockyards where the animals are unloaded, fed,

Thin cattle are sold as stockers and feeders to be sent back to farmers to be fattened. Fat cattle and hogs are bought by the packers for immediate slaughter.

The stockyards companies derive their revenue from charging the yardage fees and from the sale of feed. These charges are the same to all; and, furthermore, the whole operation of stockyards has been under the supervision of the Bureau of Markets of the United States Department of Agriculture since July, 1918.

The packer has to maintain a buying organization properly to select the animals bought. They are then taken to the killing floor where they are slaughtered. During the dressing processes which follows, United States Inspec-



tors thoroughly inspect every carcass. Those condemned are used for other than food purposes. The good carcasses, after being thoroughly washed, are placed in the "cooler" long enough

consumption the meats are shipped to various parts of the country in refrigerator cars.

The large packer sells direct to retailers all over the country. He may

in all the principal cities of the country. These branch houses have refrigerating facilities, corps of expert meat handlers and cutters, as well as the accounting and credit organizations, and deliv-



A typical laboratory, under the supervision of the United States Government, in which purity tests are made

to become chilled. Hog carcasses have to be cut up after slaughter and chilling, and such cuts as hams and bacon go through the additional processes of curing and smoking. When ready for

do this in one or two ways; first, through branch houses; and second, by means of car or automobile routes.

The appearance of branch houses is familiar to all, because they are located

every equipment in order to carry the goods (except in a few cities) direct to the retailer's store. Probably no industrial concerns in the country have such well developed sales organizations.

#### FOREIGN TRADE CONVENTION

The Ninth National Foreign Trade Convention of the National Foreign Trade Council will be held in Philadelphia on May 10, 11, 12, 1922, according to the announcement of O. K. Davis, Secretary of the Council.

"To judge from what some 'calamity howlers' say, it would appear as if our foreign trade were all shot to pieces," said Mr. Davis. "I wonder how many people in this country realize that our exports for the last six months have been sixty-three per cent greater in value than in 1913, and about fifteen per cent greater in volume; and that in the six months ending September, 1921, we have exported commodities valued at \$2,025,236,000 and have imported goods valued at \$1,197,850,000.

"The truth of the matter is, that the productive capacity of the United

States has been so greatly increased during the war that our former 'normal' exports are not nearly great enough to enable our factories and farms to operate profitably at full capacity. It is certain that our foreign trade, considerable as it is even at present, must be expanded if the United States is to enjoy real domestic prosperity; the National Foreign Trade Council believes that our foreign trade can and will be so expanded, even in the face of present difficulties, provided all elements of American industry, agriculture and finance will coöperate to that end."

#### A \$1,000 STEAM CAR

Word has been received of the completed organization of the Coats Steamers, Inc., of Indianapolis, the corporation building the Coats

Steamer, the first steam car in the \$1,000 class.

George G. Rowland, head of the Rowland Powers Consolidated Collieries, of Terre Haute, is president of the corporation. The board of directors includes: David Armstrong, of Jackson, Ohio, president of the Citizens Trust and Savings Institution, Jackson, Ohio; Heyward W. Drayton, of New York, of Drayton, Pennington and Colket; J. C. Johnson, of Chicago, president of the Equitable Bond and Mortgage Company of Chicago; Paul Kuhn, of Terre Haute, Indiana, president of the Paul Kuhn Grain Company; J. M. McIntosh, of Indianapolis, president of the National City Bank of Indianapolis; Walter S. McLoud, of Terre Haute, coal operator; Erward Shirkey, president of the Shirkey Coal Company at Terre Haute.

# The Patent Office Situation

*Efforts being directed from various interests seeking to prevent decay of a most important government department, now menaced by numerous resignations, an inefficient force and insufficient pay*

Written especially for AMERICAN INDUSTRIES

By EDWIN J. PRINDLE

Patent Committee, National Association of Manufacturers

IN 1917 the Patent Office was so badly off that a committee was appointed by the National Research Council, at the request of the Patent Office, to investigate the situation and endeavor to relieve it. A bill, known as the Nolan Bill, was the result of these efforts, and the National Association of Manufacturers, the Chamber of Commerce of the State of New York, and all of the national engineering and chemical societies have been pushing that bill and its successor, the Lampert Patent Office Bill. The Nolan Bill was passed through the House of Representatives and would have passed the Senate at the last session except that it contained an objectionable rider, giving the Federal Trade Commission certain powers concerning patents. The bill was reintroduced in the present session of Congress without the rider as Lampert Bill, H. R. 7077, and has been reported to the House with the unanimous approval of the Patents Committee of the House.

Badly off as the Patent Office was in 1917, it is much worse now. The Commissioner of Patents in his recent report states:

**"The Patent Office is now in a deplorable condition. \* \* \* The Patent Office is breaking at the very moment it should be responding to the fullest extent to the depressed conditions of the country."**

In the past two years and a half the Patent Office, out of a force of 437 examiners, has lost 163 examiners. The Commissioner says:

**"These men, who were scientifically trained and also members of the bar, have been replaced by inexperienced men, fresh from college, without any knowledge of patent law or any legal training. Moreover, the men who resigned were familiar, through years of experience, with the particular art with which they were engaged, and it takes years to train new men to take their places."**

At present more than half of the examining force consists of men who

have been appointed within the last two years and a half, who are yet of little use as examiners. Much of the time of those who are properly trained is taken up in training new men, who, when they become properly trained, will many of them resign to take much more lucrative positions outside of the Patent Office, thus making the training operation practically a continuous one.

**The Principal Examiners' salaries (now \$2,700) have been increased only eight per cent in seventy-three years (since 1848).** At that time their salary of \$2,500 was equal to that of United States District Judges and Members of Congress, and one-half the salary of the Chief Justice of the United States. Since that time the salaries of these latter officials have been increased three hundred per cent, while the examiners, as stated, have only had an eight per cent increase. The duties of an examiner are more comparable to those of a United States District Judge than to those of any other Government employe or official. This is so true, that when a defendant in a patent infringement case pleads that the patent is invalid because of earlier patents, and when it appears from the record that the examiner considered those earlier patents before granting the patent sued upon, the judges will usually follow the ruling of the "experts of the Patent Office" unless very persuasive evidence is adduced which was not before the examiner.

The Lampert Bill provides a salary for the Primary Examiner of \$3,900, which, in the opinions expressed in resolutions of the National Association of Manufacturers, the United Engineering Societies, and the American Chemical Society, is the minimum which will check the stream of resignations from the Patent Office and induce qualified men to stay in the Patent Office at least long enough to give a fair return for the training which they have received. The bill also provides for an increase of examiners of about ten per cent and some increase in the clerical force. The Patent Office has always been self-sustaining and the bill provides more than sufficient funds for

the added appropriations by increasing the filing fee for applications for patents \$5 per case.

If the percentage of qualified examiners is allowed to fall much lower, the patent system will deteriorate from one in which patents have a *prima facie* presumption of validity, because they are supposed to have been adequately examined before being granted, into one in which they are only registered and carry no presumption of validity. This presumption of validity, which is the leading characteristic of the American patent system, has caused the common cultivation of the inventive faculty and so stimulated our inventors that our country has been placed in the forefront in manufacturing, while being able to pay labor the highest wages in the world, and our agriculture has been placed substantially on a manufacturing basis, enabling one man today to do from ten to fifteen times as much work as was possible with the manual tools which were in use when our system was established.

There is no activity of our Government which can be pointed to as the cause of these effects so much as our patent system, and it would be a catastrophe of the first magnitude to allow our patent system to break down.

The only possible objection to the bill is that it fixes the salaries of messengers at \$1,080 per year, whereas the positions are now satisfactorily filled at \$750 a year. This unnecessary raise in salary to \$3 per day, if it became a law, would possibly be treated by labor as a recognition by Congress of a minimum wage principle. It is, of course, however, subject to amendment in the House of Representatives and Senate.

**There are now 56,000 applications for patent awaiting action and it now takes from eleven months to a year in a number of examining divisions before an application for patent is reached for its first action, a number of such actions usually being necessary.**

Although the reclassification bill has just passed the House, it will not save the Patent Office because the disaster will have happened long before that bill can be effective.

# Shippers And The Freight Rates

*Industrial interests to have their opportunity to present their cases before the Interstate Commerce Commission at the hearings this month in which complete facts are sought from both sides*

Written especially for AMERICAN INDUSTRIES

By BERT CHAMBERLAIN CLARKE

**W**HAT is the financial condition of the railroads, and what is the prospect for freight reductions?

This question in a dozen different forms has been propounded to officials of the Federal Government in the last thirty days. It has been discussed in the Cabinet meetings, and debated in the informal conferences that have been held between members of the Interstate Commerce Commission and representatives of the railroads. Manufacturing and shipping interests have shown a vital interest in it.

There is no adequate answer to the question. The Interstate Commerce Commission is seeking to find one through a searching and thorough inquiry into the financial status of the railroads, and the reasonability of the existing rates.

A partial answer to both features of the question is found in the evidence and data that have already been presented by the railroads to the Commission in the progress of the hearings so far. But even this answer of the railroads is not complete. They expect to submit a great deal more information and data when the hearings of the Commission are resumed on January 11, after which the industrial interests and the shippers of the country will attempt to supply the remaining half of the answer.

The Commission is searching for facts. Without preliminary arguments or debate, it is asking the railroads to show just their financial condition and outlook at this time, and to indicate whether the rate structure can be revised downward without jeopardizing their financial stability, or injuring the transportation facilities of the country.

## Co-operation for Reduction

The railroads believe that the rates can be brought down, but they wish the coöperation of the Government, the industries, shippers, agricultural interests, and labor, in accomplishing this end. They want revision through a channel that will give them at the same time a corresponding reduction in their wage scales and other operating expenses, and will allow them also to make the revisions and changes for an

experimental period of six months. During the six months they expect to continue their volume of expenditures

of the transportation officials, and a world-wide readjustment of conditions with a completion of the deflation of the war period, must take place before normal and prosperous business and industrial conditions in the United States can be looked for, and permanent revisions of freight rates put into effect.

Very recently the railroads had a definite and acceptable proposal for the reduction of rates on agricultural products in the western states in readiness to submit to the Interstate Commerce Commission for approval. Objection to reductions in these rates without a similar reduction in the wages and operating expenses of the roads was voiced by two powerful chief executives of western railroads, with the result that the proposal was abandoned.

This objection deprived the country of an entering wedge into the rate structure with the prospect of revising it downward.

## Conditions at Present Complex

The carriers are anxious to co-operate with the Government in every reasonable way for a general rate readjustment, said Howard Elliott, chairman of the board of the Northern Pacific railroad, in appearing before the Commission as one of the principal spokesmen of the railroads. He expressed the view, however, that there was practically no inflation in the transportation business during the war, and consequently, in considering a reduction in the existing rates there is small opportunity for deflation. Reductions in rates must be accomplished through similar reductions in operating costs, he said.

The conditions at the present time were admitted to be complex and unusual, and Mr. Elliott expressed the view that it would be unfortunate for the country to attempt to pass judgment upon the transportation question as a whole, or to decide upon radical future policies for the transportation business, when the general conditions of the country are not yet in a normal state, and there is still much to be done before commerce and industry have recovered from the effects of the war.

It is important to the economic wel-

## DATES FOR SHIPPERS BEFORE INTERSTATE COMMERCE COMMISSION

Jan. 11-14. Direct testimony of the railroads.

Jan. 16-18. Cross examination of the witnesses for the railroads.

Jan. 19-20. Coal and coke industry.

Jan. 21-23. Ore, furnace materials, iron and steel products.

Jan. 24-25. Sand and gravel, brick, lime, cement, gypsum and asphalt.

Jan. 26-27. Lumber and forest products.

Jan. 28. Fertilizer and materials, sulphuric acid and phosphate rock.

Jan. 30-Feb. 4. Testimony of the public and shippers as to the general aspects of the case.

Feb. 8. Vegetable oil and soap.

Feb. 9. Grain, flour and agricultural products.

Feb. 10. Live stock and packing house products.

Feb. 11. Petroleum and petroleum products.

Feb. 15. Canned goods and wholesale groceries.

Feb. 16-17. Fruits and vegetables.

Feb. 18. Milk, cream and dairy products.

Feb. 20. Beverages and beverage containers; waste materials.

Feb. 21-23. Other commodities.

Announcement will be made by the Interstate Commerce Commission of dates for carriers' rebuttal evidence, and for oral argument. Testimony is to be confined to outstanding facts.

Shippers and others who expect to attend the hearing are asked to promptly advise the chief examiner of the Commission, with the character of the testimony to be dealt with.

for maintenance and upkeep at approximately the present ratio.

The railroads do not believe that a reduction in the rate structure within itself will materially affect the volume of traffic in the different geographical rate territories, or that it will have the effect of reviving and increasing the business and industrial activity of the country. The depression in commercial activity is world-wide, in the view

fare of the country, said Mr. Elliott, that it be guided by the general principles laid down in the Transportation act, which was passed more than a year ago. These fundamental principles, he said, have proven to be a reasonably safe guide in finding the way out of the complex situation that has confronted the railroad managers in the period that has followed the return of the lines to their owners by the Federal Government.

#### Production Costs Up

The payments that are being made by the country through rates for transportation service are admitted by the carriers to be larger than ever before. At the same time, the railroads say that the production of the service is more costly than ever before, and that the margin between operating revenue and operating expenses is so restricted that there is not now an adequate return on the plant that is furnishing the service.

The roads adhere to the position that while the rates are too high from an economic standpoint, they are not too high from an operating standpoint except in the case of some individual commodities. This viewpoint is emphasized in consideration of the sums which the railroads find it necessary to pay this year for wages, coal, and their supplies generally.

The Commission was consistently told by the railroad witnesses that the carriers believe in making their rates as low as they can possibly do, because they wish a wide distribution of the products of the country over long distances. But the owners and managers feel at the same time that their paramount duty is in maintaining an adequate transportation plant, managing it honestly, efficiently and economically. Sharp reductions in the rates at this time, without corresponding decreases in the cost of operation, would create a wastage, and result in the deterioration of the properties, and increasing the burden of the shippers if the volume of traffic in the future should exceed the capacity of the roads.

The railroads have sought in the last twelve months, Mr. Elliott told the Commission, to make reductions in individual rates where it was apparent that an increase in the volume of traffic would result. This policy will be continued, he said, because the railroads hold to the belief that all—carriers, shippers and consumers alike—must bear jointly the burden if the country is to go ahead again on a sound economic basis.

Deflation is a task that is slow and not easily accomplished. Its processes require an infinitely longer time for accomplishment than does inflation. And it falls more heavily on some industries than it does on others, espe-

cially the farming industry. If freight rates are among the deflation processes, then the industries upon which the burden bears heaviest should have first consideration and be given preferential relief.

"The manufacturing enterprises are deflating, and the same may be said of the jobbing and distributing business," said Mr. Elliott. "What is called 'Labor' has already been hurt by unemployment, and by some reductions in wages, which, however, have not affected the great transportation interests to the extent that they should.

"A sound policy with the labor leaders would seem to admit that deflation must come and allow lower wage scales on the railroads, in the mines, and in the building trades, all of which would mean greater employment of men, and a lower unit price on many articles that are used by all, thus reducing the cost of living and helping to break the present endless chain of expense."

Mr. Elliott made the observation that the recognition of such a policy would be particularly helpful to the railroads in their operations because of the fact that their labor bill is so great, and because they are very heavy buyers of materials where the labor cost is a very large part of the total.

"There was little complaint about the Transportation act and the freight rates a year ago," he said. "The complaint then was for more tracks, more cars and more engines, and a demand that the railroads move grain, coal and fruit. The rate was a secondary matter."

He said to the Commission that he does not believe that the rate increases in August, 1920, brought about the marked slump in the business of the country, and that he endorsed the proposition that such general rate adjustments as are made now should be for an experimental period of six months. Necessarily the pace of the business of the country will change, he said, creating temporary need for rate adjustments, and precluding the feasibility of establishing a permanent and unyielding rate structure for the country.

#### Hoped for Public Support

The increase in the wage bill of the railroads since the Government took them over on January 1, 1918, has been approximately \$2,250,000,000, said Alfred P. Thom, speaking for the Association of Railway Executives.

"We have hoped for the support of the public opinion of the country and the shippers to obtain a readjustment of the labor costs," said Mr. Thom. "We have hoped that the shippers would come to see that it is the obstacle in the road, and that the present level of rates is due more to labor costs than

to anything else. We have hoped that they would come to see that it is more to their benefit, as well as to the railroads, to see that a readjustment in wages is made.

"The necessity is for an early and fair consideration of the labor bill of the railroads, and if it is too high, it ought to be cut down."

In substantiation of the contention that the rate increases of seventeen months ago have not been the dominant factor in depressing the business of the country or in reducing the traffic of the railroads, Edward Chambers, vice-president of the Atchison, Topeka and Santa Fe Railroad, said that economic conditions have been the chief contributor to the shrinkage in the volume of traffic. He pointed out that building operations in Chicago, where practically all the necessary materials except lumber are produced within the city limits, are not different from the rest of the country generally.

"The economic conditions that have obtained in this country and in the world at large since the war have been the most important factor in retarding the movement of traffic," he said. "True, the cost of transportation is an item of expense in commerce that must be given consideration, but there are so many other items of expense and so many other conditions that enter into trade that it is not accurate to charge responsibility for the decrease in business to alleged high freight rates.

"The carriers are not likely to be in a position for some time to come to consider a general reduction in all rates."

#### Heavy Annual Loss

Testimony was offered to the Commission that the proposed reduction in rates on hay and grain would amount to an annual loss of approximately \$55,000,000, and on the basis of the general rate increase that was placed in effect on August 31, 1920, to a sum of \$94,000,000.

In taking up the industrial and traffic conditions in the eastern states, T. C. Powell, vice-president of the Erie Railroad, said that the reductions already made in the rates in this territory have not resulted in any marked stimulation in the business of the carriers. Many of the reductions which have been put into effect under pressure have had no appreciable effect upon traffic, but have served to reduce the income of the roads at a time when they needed it most.

If the rates in the eastern territory which have already been brought down are figured on a basis of normal traffic, he continued, the net reduction in the gross revenues of the roads already amounts to \$100,000,000. There are

(Continued on page 45.)



# Exporting Our American Labor

*Three quarters perhaps, of the price of goods from the United States, placed upon the wharves of Europe or South America represents, not the cost of the raw materials, but of the labor*

Written especially for AMERICAN INDUSTRIES

By GEORGE ED SMITH  
President, Royal Typewriter Company

**L**ET'S call a spade a spade. For a long time we have been befogging the mind of the employe and throwing over our commerce publications a mist that has not gone a step in the direction of clarifying the perennial misconceptions in economy. We have talked of flour and automobiles, cotton and electric batteries, canned fruits and boots exported. And forthwith the employe got the impression of an exportation of manufactured articles in which he had little interest. The truth, however, is that what we have actually exported has been a little wheat and a little steel, a little rubber and a little zinc, a little fruit and a little tin, a little leather and a little thread, a little of the raw products that have gone into the manufactured goods, and a large amount of American labor.

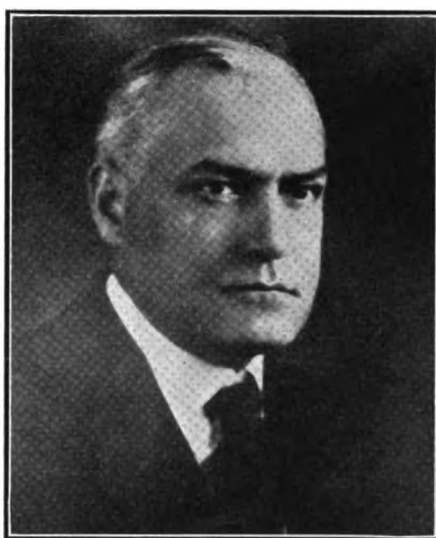
We have exported labor. That is the fact that has been most obscured. Considerably more than half, perhaps three-quarters, of the price of American goods placed upon the wharves of Europe or South America has represented not the cost of the steel and other raw materials that went into their construction, not the cost of the rails and ships that carried them, but wages paid to American labor.

The Bureau of Census, in a recent report, showed that 85 per cent of the sum that the consumer pays for a pair of shoes, finds its way into the pocket of the laborer and that a maximum of the remaining 15 per cent is the reward of capital in this industry.

## What the Labor Includes

In the 85 per cent that goes into the purse of labor are included the costs of breeding the animal, tending it, killing it, removing the hide, curing it, tanning it, shipping it, designing the shoe, making it and selling it. In that large percentage, too, are included the costs of producing the linen in the thread that sews the shoes, the cost of shaping the tools that assist in their manufacture, the expense of constructing the factory, the cost of the rails, and the cost of producing the fuel for manufacture and transportation.

With typewriters, except for a variation in the percentages, the same thing is true. Here materials represent about 15 per cent of the cost of



Mr. George Ed Smith

the machine as it is delivered on a dock in Australia or Asia. Ten per cent, at the most, is profit. The remaining 75 per cent is wages for American workmen.

One great work in Americanization could well be the instillation of this thought in the mind of the employe. That exportation means taking the payroll of American industry to the shores of Oceania or Indo-China for payment. The thing we sell is workmen's time, and we bring back workmen's time from the other side.

There is another misconception from which we in this country have suffered. We have not had clearly in mind the fact that it is not the seaboard alone that benefits from foreign trade. Yet it is true that even the remotest of rural districts must feel the effect of foreign trade even if only as the gentle ripple that rises at the dropping of a pebble and is only stopped as it breaks on the farthest shore. Sometimes the effect is an indirect one caused only by the buoyancy of business in general. More frequently it is a fairly direct though often an obscure effect.

Recently a shipload of goods leaving New Orleans for South America was examined for the variety of its cargo. These were the products that it carried:

Medicines, motors, tobacco, nails, coffins, United States money, printing equipment, touring car, films, periodicals, player pianos, shoe laces, organs, butter, automobile parts, gas tractors, mining tools, wax, rosin, cat gut, soap, glassware, dry goods, biscuits, chairs, washing powder, kitchen ware, packing house products, wagons, candies, tubes and casings, shoes, hardware, clocks, paper, cakes, office supplies, victrolas, safes, photographic supplies, sewing machines and petroleum.

## Many States Represented

If the districts that had assisted in the production of that cargo were to be plotted on a map of the United States, a liberal peppering of the 48 states would be the result. Indeed, if we take but a single piece of that cargo, it will be clear to us that its exportation to Chile should be the concern of a large part of our population. Let us look at the automobile. The automobile was manufactured in Detroit, but it had brought work to countless other districts throughout the United States. Its metals came from Tennessee, Alabama, Pennsylvania, West Virginia, Illinois, Indiana, and Utah; its wood came from Oregon, Idaho, California, Arkansas, Louisiana, Alabama, Maine, Wisconsin, Kentucky or Tennessee; its upholstered seats were the products of southern fields and New England mills; the cattle that furnished its leather were raised in the West and Southwest and slaughtered in the Middle West while the tanning was done in the East; the paints and varnishes came from the eastern and middle western states; the chemicals from New Jersey; and the electrical goods from New York.

The labor of practically every man, woman, and child employed in production in this country may be represented in some way in the manufacture of a single automobile.

(Continued on page 24.)

# AMERICAN INDUSTRIES

D. M. EDWARDS, EDITOR AND MANAGER

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## SPECIAL TARIFF CONVENTION

ON the last two days of this month—Monday and Tuesday, January 30 and 31—the National Association of Manufacturers will hold a special convention in Washington, on tariff.

The prime object will be to urge Congress to pass a tariff bill at the very earliest moment so that a stable public policy may be brought about. Discussion and action at the convention will be confined to:

1. The expediency in the public interest of incorporating the principle of the American Valuation Plan in any tariff bill that may be enacted.

2. The immediate enactment of adequate tariff legislation.

It is the general consensus of manufacturers that a swifter advance toward economic recovery will be made by having some sort of tariff legislation decided and acted upon, so that manufacturers and business men in general may know where they stand. It is the belief of many that the problems of extension, curtailments, inflation, deflation, employment and unemployment will be

solved much more easily with the present uncertainties regarding the tariff definitely removed.

Manufacturers and general business men, irrespective of their memberships or non-memberships in organizations, are urged to attend this convention and lend their fullest efforts toward obtaining immediate action by Congress.

## OUR NATIONAL INCOME

MANUFACTURING contributes thirty per cent to the national income of the United States: agriculture, seventeen per cent; transportation, nine per cent; government, five per cent; mining, a little over three per cent; banking, more than one per cent and miscellaneous groups including merchants, retailers, professional men, domestics, various forms of services and others, about thirty-three per cent, according to a study just completed by the National Bureau of Economic Research, New York. This is the first time such a resumé of the nation's income has been compiled in this country, and it is very thoroughly put forth in a book called "Income in the United States," which has just been published.

The book presents the study of incomes in various phases, shows how it keeps pace with the growth of population, by what industries it is mainly produced, and how it is distributed among income receivers.

The total national income increased very greatly between 1910 and 1919 when measured in current dollars. It increased less when measured in unchanging dollars based on 1913 prices. The per capita income in terms of 1913 dollars increased still less, the report finds. These facts are brought out in the following table:

	1910	1913	1919
Total national income.. (billions)	\$31.4	\$34.4	\$65.9
Per capita income..... (dollars)	\$340	\$354	\$629
Total national income.. (1913 dollars, billions)	\$32.2	\$34.4	\$37.3
Per capita income..... (1913 dollars)	\$349	\$354	\$358

One of the most interesting tables in the whole report shows how the product of the large, organized industries is divided between investors and management on the one hand and sal-

ary and wage earners on the other. In 1910, the share of the investors and management was placed at thirty-one per cent and the shares paid in wages and salaries at sixty-nine per cent. In 1919, this ratio was changed to twenty-three and seventy-seven. This appears to indicate that the shares of industry vary materially with periods of prosperity and depression and bears out the general indication that our participation in the war was accompanied by a lessening of inequality of income distribution. The sources from which income is drawn maintain a remarkably steady relation over the ten years (1910-1919) studied.

The surprisingly small importance of mining and banking in respect to the total income is the feature of this table that will arouse great interest. In comparison with manufacturing and farming they are almost insignificant.

Edwin F. Gay, former Dean of Harvard School of Business Research is president of the National Bureau of Economic Research; George E. Roberts, Vice-President of the National City Bank, New York, is Treasurer; Oswald W. Knauth is Secretary, and W. C. Mitchell is Director of Research.

## LOSING MILLIONS OF WORKDAYS

WITH industrialists, economists and business men in general all agreed that the only way for the world to get back to its normal shape, is to work, work, work, an editorial published in the *New York Herald*, on the matter of holidays, gives food for unusually interesting thought. The editorial reads:

"Whatever the inherent merits of the proposal to honor Benjamin Franklin by adding another holiday to our already overloaded list of excuses for stopping work, this is as bad a time to put forward such a suggestion as could be imagined. With ten or a dozen weekdays in each year on which work comes to a dead halt in celebration of some anniversary or other, the country even now is losing millions of labor days every hour of which is of incalculable value in the formidable struggle to get back into that normal production which must be attained if we are to keep up with the procession.

"What would Benjamin Franklin, that great evangelist of the Gospel of

Toil and Thrift, say about the proposal to loaf for a day to show respect for him? What would be Poor Richard's opinion on the propositions that eight hours is the limit for a day's work and five and a half days constitute a work week?

"If, now, the suggestion were that January 17, the sage's birthday, be commemorated by every American citizen doing a full day's work, an eighteen hour day's work of the kind Franklin did, in one day, that would be honoring Ben Franklin in a way which beyond all doubt would have his hearty approval.

"America is not suffering alone from the holiday mania. In France it has become something of an epidemic. The French go us one better in creating loafing days. They have what they call 'the bridge.' If yesterday was a holiday and to-morrow is to be one, then to-day, the bridge between the two days of idleness, is a holiday. This discloses a masterpiece of logical reasoning. How in the world did our holiday makers overlook it?

"But even in France there is a growing revolt against the perpetual seeking excuses for knocking off work. An indication of this was given in the French Parliament when it decreed that Armistice Day should be celebrated on the following Sunday, thus merging the civil and the religious holiday into one. Commenting editorially on this and referring to the fact that the holiday mania is extending even to the schools, the *Revue des Deux Mondes* says:

"It is time to put an end to these dangerous notions. To exile France from the taste for work is not only to go against the traditions of a laborious people but it is to misconceive the harsh conditions of existence which are beginning for us, and which, with even more certainty, await our children. In the world which we are entering the only salvation for one and all is in work and by work. It is the law. Let us accept it resolutely instead of trying to dodge it by trickery. It is servitude, if you wish to call it so. But servitude itself, such a servitude, has its grandeur."

"This is sound doctrine, every word of it, and it is as applicable to us in America as it is to the people of

France. All proposals for new holidays had best be laid on the table."

### WAR ON WILD ANIMALS

UNCLE SAM, during the last five or six years, has been conducting a warfare against the destruction done by wild animals that seems almost incredible to the average person in the cities. Such a staggering amount of damage has been done to live stock and crops that the government started out on an active effective campaign against predatory animals and rodents.

In the twelve months ended June 30 of this year, according to the report of the Biological Survey of the Department of Agriculture, \$14,000,000 in live stock and other property was saved to farmers and stockmen west of the Mississippi by Uncle Sam's hunters.

It is estimated further that 50,000 predatory animals were destroyed through the medium of rifle, trap and poison at a cost of \$1,345,220. A review of the operations for the last six years indicates a saving in crops and live stock of \$74,000,000 at a cost of \$6,080,000 to the Government, the co-operating States and the land owners.

Professional hunters of great skill and long experience were chiefly instrumental in the destruction of 27,611 beasts of stock destroying species, including 694 timber or gray wolves, 24,234 coyotes, 2,466 bobcats and Canada lynxes, 129 mountain lions and 88 bears. The exact total of animals killed in poisoning campaigns will never be known. In these campaigns 18,331,861 acres of Federal, State and private lands received a first poison treatment, with follow up work on 4,402,652 acres. From the number of bodies of poisoned animals which were found it is thought that between 25,000 and 30,000 coyotes died from poison.

Wolves were the chief offenders in doing injury to herds and flocks, though the coyote was a good second. The damage inflicted by single specimens of the wolf tribe is surprising. The famous Custer wolf that operated in the vicinity of Custer, South Dakota, for six or seven years killed \$25,000 worth of cattle and escaped death until last spring, though there was a bounty of \$500 on his head. A pack of eight wolves destroyed \$20,000 worth of

calves, pigs and sheep in and around the Arkansas National Forest. Between October 31 and November 19, 1920, they were all killed by one of the bureau's expert hunters.

The stockmen of the West and Southwest, who are carrying a heavy burden at present, believe that they are entitled to protection for herds pastured on lands for which they pay grazing fees. These are in the national forests and the allotments for 1921 provided pasturage for 2,322,180 head of cattle and horses, 36,480 swine and 8,325,205 sheep and goats. Appropriations by States for protecting live stock from wild beasts for 1922 amount to \$211,700.

War was also carried on by the Department of Agriculture against prairie dogs, ground squirrels and other rodents. During the year 1,235 tons of poisoned grain was distributed under the supervision of the Survey. In a single campaign in Texas 670,000 rats, by actual count, were killed. Wholesale destruction of jack rabbits in Idaho, Oregon, Washington, Nevada, Utah and Arizona accounted for a large number of these pests, which had caused damage mounting into millions of dollars to alfalfa, hay, cotton and other crops. As many as 50,000 individuals were taken in single drives, while one Idaho county killed 168,166 jack rabbits.

### AN AMATEUR RADIO EXPERT

PAUL F. GOLDEY, a young American radio operator and student has just returned to this country from a very successful and interesting trip to Europe in the interest of the amateur radio operators. He belongs to the Radio League, which numbers some 20,000 members in this country. He went to Scotland in order to make a series of experiments for the League. He established a small station up in the hills of Ardrossan and then set to work, to learn with how many stations he could establish contact. Mr. Goldey established communication with stations in the United States within two hours after he had started to work. During his brief experimental visit he talked with one station after another, making contact with twenty-six different stations in this country.

### EXPORTING OUR AMERICAN LABOR (Continued from page 21.)

Closely akin to the misconception in regard to the part that the remote laborer or farmhand plays in the drama of American production, is the misconception in regard to the profits of exporting and importing. There is a persistent misconception in regard to the profits from foreign trade says F. W. Taussig, professor of economics at Harvard University.

"Perhaps the ancient association of foreigner with enemy still lingers. People do not worry when New England buys coal from Pennsylvania but when coal is brought from Nova Scotia, dire consequences are supposed to ensue. Half a century ago (more or less) the region which is now British Columbia was claimed by the United States to be part of its territory. Had the Oregon question been settled at that time in accord with the American claims, no one would have questioned that the resources of British Columbia in lumber, coal, and fisheries were of advantage to Americans. But once a border line is drawn, the situation is supposed to change; and that which would have brought us gain in the way of more abundant and cheaper supplies is fraught with peril precisely because these supplies came from a foreigner."

Again the truth is different from the popular conception. Our international trade gain consists, just as does our domestic gain in selling and buying, in disposing of goods that we produce effectively and in receiving in return goods we are less able to produce. We sell automobiles to Brazil and bring back coffee. We sell petroleum to Spain and bring back olives and grapes. We shall be the gainers if we develop the widest possible markets of the world for those things that we have learned during the war to produce in large supply and bring back more of the good things of life from other countries.

#### Produce More Than Consumed

We shall not worry at the inevitable law that in the long run, exports always equal imports. We shall be concerned only at the widest possible expansion for the markets that the war opened to us and that will be contracted against us if we do not provide the means of keeping them open. We shall have to depend upon the outlets outside our shores to exhaust the crops and the manufactures that we are able to produce above our needs. We shall have to count upon Europe and South America, Asia and Australia to buy American labor and to send return money for American payrolls. We have not in this country a suffi-

cient domestic demand to consume all that we are now able to produce.

To such a trade the deterrents have lately been high exchange rates which make our goods considerably higher in price to the foreigner than they are to ourselves and at the same time our own unwillingness or inability to sell on credit sufficiently long enough to allow the foreign purchaser to buy and pay upon the completion of his own share of the transaction. We have laid our product upon the dock and simply told the purchaser to come and get it and pay for it. We could do that; we had the goods, and the other countries needed them. It is clear, however, that we cannot longer continue any such independent policy. We shall have to finance the goods not only to seaboard but beyond, until the buyer can pay for them. In short, we shall have to provide adequate means of extending long-term credits to foreign purchasers of American products.

It was to this end that the Edge amendment to the Federal Reserve Law was passed by Congress in December, 1919, providing for the formation of corporation for extension of long-term credits to overseas customers offering satisfactory security. And it is to this end and under the provisions of the Edge law and the supervision of the Federal Reserve Board that the Foreign Trade Financing Corporation, which is now selling its capital stock, views hopefully its opportunity to make itself definitely and satisfactorily felt as a factor in international trade. Its maximum resources will be equal to one quarter of the enormous commercial indebtedness of foreign nations to our own.

The product of two years of thought by members of the American Bankers' Association, the Foreign Trade Financing Corporation has now passed beyond a point where it is responsible only to the opinion of bankers. It is the solution that the leaders in American finance have fairly and hopefully offered for declining purchases of American goods. But the proposition is no longer one of banking. The problem is so great that it is a problem of the entire people and not of the banks alone. The banks are now in the same position as the economists who devised the income tax. It can no more be expected that the banks should finance the plan that they have outlined than we could have expected the income tax experts to pay the total tax.

The hope of those who have drawn up the plan and who now have manufacturers and farmers working hand in hand with them, is that there is already or soon will develop a foreign trade sentiment only needing crystallization in favor of this project. Such a sentiment must develop; no underwriting plan is made to accept the responsibility for success. The responsibility for the relief of our export deadlock rests upon those upon whom responsibility has found a worthy foundation. The American people, with a realization that no one of them is too far removed to feel the beneficent stimulation of the ripple in the sea of foreign trade, will undertake to continue to carry time sheets outgoing across the sea and bring back payrolls for the workman, profits for the manufacturer and farmer, dividends for the investor.

## Forestry In Congress

THE whole American forestry question will be threshed out before the Agricultural Committee of Congress in a solid week of hearings beginning January 9.

This is the announcement made by Chairman Haugen of that committee and comes as the climax of a year of work by the National Forestry Program Committee to get a thorough plan for the maintenance of the nation's forests before Congress for action.

It is just a year ago that the National Forestry Program Committee was named, with the paper industry, as represented by the American Paper and Pulp Association, the lumber industry as represented by the National Lumber Manufacturers' Association, the public as represented by the American Forestry Association, the publishers as represented by the American Newspaper Publishers As-

sociation, and other national and local groups, as members of the committee.

From this union of widely different interested groups, all realizing the need for unified action in behalf of the forests, came the Snell bill, in which the widely differing ideals of different groups were harmonized in the first comprehensive forestry legislation plan.

Hearings last January came as Congress was about to adjourn, and action went over to the sixty-seventh Congress, when Congressman B. H. Snell again introduced his forestry bill, as approved not only by the Federal Forest Service, the American Forestry Association, the American Paper and Pulp Association, the American Newspaper Publishers Association, but also by the National Lumber Manufacturers Association, the American Association of Wood Using Industries, and other similar groups.



# Bankers' Domestic Acceptances

*Two distinct advantages to be gained by their use in financing American business; first, by using the resources of investing institutions and second, by scientifically improving methods*

*Written especially for AMERICAN INDUSTRIES*

By MAURICE L. FARRELL

of F. S. Smithers & Company and Chairman, Publicity Committee, American Acceptance Council

**T**HERE are two distinct advantages to be gained by the use of the bankers acceptance in the financing of American business, domestic or foreign; first, the utilization of the resources of investing institutions, corporations and individuals in the purely commercial transactions of our business concerns, and second, the improvement in our methods of doing business by the adoption of a scientifically perfect and rigidly tested credit instrument.

After the most thorough investigation of the efficacy of the bankers acceptance in the banking systems in Europe, and a careful consideration of the features that would make it adaptable to our new banking system then under contemplation, the framers of the Federal Reserve Act built up the Federal Reserve System on the foundation of this prime instrument of credit. Not only does it represent a current transaction involving the transfer of merchandise from the seller to the buyer, or the storage thereof under proper conditions, but also the unqualified guaranty of a solvent banking institution that the acceptance will be promptly paid at maturity. The bankers acceptance is the evidence of a definite extension of credit for a specific purpose, due and payable at a designated time and place.

A bankers acceptance may be defined as a draft or bill of exchange, whether payable in this country or abroad and whether payable in dollars or some other money, of which the acceptor is a bank or trust company, or a firm, company or corporation engaged generally in the business of granting bankers' acceptance credits. The chief distinction between a bankers acceptance credit and a "straight loan" is that by the former method the banking institution loans its credit, the money for which is obtained elsewhere, chiefly through the discount market, and by the latter it grants the direct loan of its funds.

The Federal Reserve Board has published a series of rules and regulations under which the reserve banks may discount or purchase bankers' acceptances,

and bills drawn in conformity with these regulations pass most readily through the discount market and are absorbed by investing institutions and individuals. Such bills are styled as "eligible" and with the exception of agricultural bills and certain classes of foreign trade bills must have a maturity at time of discount of not more than three months. They must have been drawn under a credit opened for the purpose of conducting or settling accounts resulting from transactions involving:

A. The shipment of goods between the United States, and any foreign country, or between the United States and any of its dependencies, or between two foreign countries.

B. The shipment of goods within the United States, provided shipping documents conveying security title are attached thereto at time of acceptance.

C. The storage of readily marketable staples, such staples being defined as an "article of commerce, agriculture or industry of such uses as to make it the subject of constant dealings in ready markets with such frequent quotations of price as to make (a) the price easily and definitely ascertainable and (b) the staple itself easy to realize upon by sale at any time."

D. The creation of dollar exchange as required by the usages of trade in the respective countries, dependencies or insular possessions.

The accepting bank or banker in reality acts as the credit investigator and guarantor of a borrower. The transaction is therefore divided into two parts, the first being the approval of the credit application by the accepting bank, and the second the sale of the acceptance so created to some other bank or investing house, either directly or through the discount market.

## General Principles

As a result of its careful and thorough investigations of this matter, the American Acceptance Council has formulated a few general principles which it believes should underlie the granting and receiving of acceptance credits. Strict observance of these

principles will make it possible to avoid numerous errors that otherwise might be committed. The most prominent of these principles are as follows:

That, credit, not money, is loaned by the accepting banker.

That, in its general commercial use, the bankers acceptance credit is designed to cover short term transactions in goods by supplying assured credit to carry goods, in process of production, transit and marketing.

That each acceptance should be based on a specific transaction or a series of transactions of these kinds, rather than be permitted to provide borrowed general working capital.

That the completion of the underlying transaction should liquidate the bankers acceptance.

That the banker, ordinarily and as far as practicable, should retain control of the goods, receive and apply the proceeds to the retirement of the credit when due; accordingly, bills should be drawn to mature so as to synchronize with the prospective acceptance.

In domestic transportation credits, against shipping documents covering goods in transit, the bankers acceptance is intended to provide for the financing of goods shipped and sold from the time of shipment until payment for the goods is due according to the terms of sale, but not to exceed six months.

In domestic credits secured by "readily marketable staples in warehouse" the bankers acceptance is designed to provide means for the carrying of staples, from the point of completed production to the time when they are distributed. It is never to be used for carrying goods for speculation.

The extension of clean credit, that is, unsecured bankers' acceptances, not related to any of the commercial processes referred to above, is restricted under the Federal Reserve Act to the so-called dollar exchange credit. This credit is designed to enable banks and bankers, in certain foreign countries, under the rules and regulations of the Federal Reserve Board, to provide exchange for remittances in anticipation of the marketing and transportation of goods sold. Unless such bills are

drawn in conformity with these regulations they are not eligible.

#### How to Use the Bankers' Acceptances

The adoption of the Federal Reserve Act automatically extended to every member bank the privilege of accepting drafts, as of the character described above, up to 50 per cent of its capital and surplus. For many of the larger commercial banking institutions in the financial centers this was considered inadequate and the regulations were so changed that any member bank having an unimpaired surplus equal to at least 20 per centum of its paid-up capital might, on application, receive the permission of the Federal Reserve Board to "accept" in the amount of 100 per cent of its paid-up capital and surplus. Over four hundred of the largest banking institutions have been granted this privilege. In addition the "Edge Law" banks and special foreign trade banks have acceptance powers not limited to their capital and surplus that add many millions of dollars to the available facilities for creating acceptance credits.

As stated above, the function of the bankers acceptance is purely a credit operation, related more specifically to the guaranty of the future payment of funds than to the actual advance of these funds at the time the credit is granted. Let us consider for a moment the method by which the operation is brought about:

A shipper of goods in New Orleans to a consignee in New York, having prepared his merchandise for shipment, delivered it to the carrier and received his bill of lading therefor, is desirous of receiving the amount of the purchase price of the goods, to enable him to produce more. After arranging for the credit he may submit his documents to his local banker, who instructs him to draw to his own order for an amount equal to the value of the consignment, agreeing to "accept" the draft when presented, or, in other words, to guarantee its payment at maturity. The shipper then takes this acceptance and negotiates its sale either to some other bank or through an acceptance dealer, depositing the funds in his own bank. In due time he receives his payment for the goods, which, when deposited, puts the accepting bank in funds to liquidate the acceptance when it comes due.

#### Economical Financing Methods

By this method the credit is extended at the point where the shipment is made, and through the coöperation of the seller's bank. It might have been forwarded to the consignee, who, after thorough inspection of the documents, could have had the draft accepted by his bank, making the credit originate with the buyer's bank instead of the seller's.

The acceptance method of financing will not appeal to the small merchant

or to the seller of scattered small consignments. But to the concern or individual of national proportions whose products make an important contribution to the commerce of the country, the bankers acceptance provides the most commodious and economical method for the financing of the operations incidental to the distribution of those commodities.

The bankers acceptance will also be found to perform a useful service in providing for the advancement of credit against "marketable staples" properly stored and accessible to the banking institution accepting the drafts thereagainst. Such acceptances receive as high a rating in the discount market as the bills which have been drawn against actual transactions involving the transfer of goods.

Though but a comparatively new instrument of credit in this country, the bankers acceptance has been the mainstay of the banking and financial systems of the European countries, and has contributed in no small degree to their great utility. The English "bill market" is perhaps the most highly developed financial mechanism in the world. In this country we are gradually perfecting a system of financing our domestic and foreign trade through the instrumentality of the bankers acceptance. This system has already become an importance factor in establishing American finance and business upon a better and stronger basis.

#### AMERICAN AND FALSE VALUATIONS

(Continued from page 12.)

to American valuation than that it would compel our importing merchants to thoroughly acquaint and keep themselves posted upon the American markets in which they are trading, that system would have its vindication in this beneficial requirement. If they are not now so advised they will be compelled so to be under the American plan, whereby obviously better business methods will be issued.

Now, while it was before said that the American plan as a basis for our import duties has nothing to do with the amount of duties, the prescribed rates alone affecting that, it does however, prescribe and regulate the penalties assessed for undervaluation, and that is where the pinch comes.

But is it not plain to all that if provision is made by the law that upon a showing of good faith by the importer he shall be relieved of these penalties, no honest man can complain thereof? Such a provision is contained in the Fordney bill and such a provision is not now and never has before been written in any tariff law.

Further, the Fordney bill provides, as a part of the American system, that any importer may appear before the appraiser after his goods have left the country of exportation, while en route, and upon exhibition of the evidence and facts of his purchase, require of the appraiser an "advisory" appraisal for entry purposes, which if he so enters his goods will estop any possible penalties being assessed.

Furthermore, the Fordney bill provides that all price and market value data gathered by the agencies of the Government shall be made available in aid of importers upon entry and the appraisers upon appraisalment.

Neither now nor for a hundred years past have our tariff laws provided either relief against penalties on a showing of good faith, or compelled advisory appraisalment in their avoidance.

Has any one heard or read in these violent denunciations of the American plan any suggestion of these absolute safeguards to all honest importers being provided as a part of that plan?

No system in a hundred years, so practicable or so reasonable and fair to the honest importing interest, has ever

been proposed by the committees of Congress. Whoever studies and rests decision upon what is really proposed, rather than on myriad wild criticisms of what is not proposed, must render judgment in favor of the American system.

For the controversy between the foreign and American systems of tariff valuation is not so much one between the merits of methods of enforcement, as it is between honest and dishonest valuation systems, that is to say, which of the two will make most for honest and prevent dishonest valuations. It is a fight between American industries and foreign industries, which shall occupy the markets of the United States; between American labor and foreign labor, which in days of stress shall be employed and which shall walk the streets; between home, which shall, and which shall not, be prosperous and contented. Therefore, let all who are for foreign industries, foreign labor, and foreign homes stand for the foreign plan; let all who are Americans and who are for American industries, American labor, and American homes stand for the American plan and for America.

**Missing:**  
**p. 27-30**





# The Menace Of Dust Explosions

*Bureau of Chemistry of the Department of Agriculture collecting data from all over the country to assist in developing methods that will prevent disasters from this cause in various industries*

*Written especially for AMERICAN INDUSTRIES*

By HYLTON R. BROWN

Bureau of Chemistry, Department of Agriculture

INVESTIGATIONS are being conducted by the Bureau of Chemistry of the United States Department of Agriculture to determine the cause of dust explosions and resulting fires in industrial plants and to obtain data which will assist in developing methods of preventing these disasters. On account of the large number of grain dust explosions with the resultant loss of life and property the investigations of the Bureau have largely been restricted to this field. Explosions in other types of industrial plants have been investigated, however, in order to obtain data that would be of value to the Bureau.

A short time ago a serious dust explosion occurred in a wood-working plant in the Middle West where the shavings and dust from the finishing machines were deposited in a brick vault extending from the boiler room through the various floors to the roof of the plant. In this case the fire and explosion occurred in a brick vault 22x37 feet and 35 feet high, located near the center of the plant. The vault was built with eight inch walls extending from the ground up through the two floors of the building to a point six feet above the roof. In the side of the vault nearest the boilers and about eight feet from them were three openings about 2x4 feet, equipped with sliding iron doors and iron chutes or stokers extending to the furnace doors of the boilers. The vault was covered with a flat wooden roof. An iron framework supported above the vault two metal cyclone dust collectors, into which the wood dust and shavings were blown from the machines in the plant. The material deposited in the vault varied from invisible particles of wood dust from the finishing machines to the larger shaving chips. In one end and one side near the top of the vault and above the roof of the building were two openings 2x3 feet, equipped with iron doors. In the other end of the vault above the roof was a 1x1 foot opening without covering.

When fire was discovered in the vault early in the afternoon two men

were sent to the roof of the plant where by means of a pole they opened the 2x3 foot door in one end of the vault. The explosion which occurred instantly hurled the men to the roof and covered them with brick and debris. Both men suffered painful minor injuries. When the explosion occurred flames burst through every opening in the vault and three employees in the boiler room of the plant were burned by the flames and otherwise injured by the falling bricks, glass, etc. One of these men was seriously injured. The wooden roof of the vault was not burned but evidently the force of the explosion was exerted directly upward, since the roof, with the heavy iron frame work and the two cyclone collectors, was lifted, turned, and dropped directly into the vault.

## Cause of Explosion Unknown

It has been difficult to determine definitely the cause of this explosion. The rule prohibiting smoking in the plant was said to have been strictly enforced. There were no pulleys, shafting, or bearings within the vault which could produce heat by friction and no electric wiring to become defective. The fire in the vault must have been caused by sparks entering the vault from the boilers or through the cyclone collectors on the roof, or by spontaneous combustion in the wood dust within the vault.

In previous cases investigated, back drafts have drawn flames from the fire box of the boilers into the vault. There is also a case on record where a spark from an emery wheel operating near a wood finishing machine ignited the dust and the flame was drawn into the dust collecting system. In 1913 one man was killed and six others injured in an explosion of wood dust which occurred in a Pennsylvania box factory when a bolt, dropping into the cutters of a grinding machine, produced a shower of sparks which ignited the finely divided dust in the air.

Recently another disastrous explosion took place in a New York wood working establishment. The explo-

sion and the fire which followed caused the almost complete destruction of the plant. The property loss in this case was estimated at \$68,000. Fortunately there was no loss of life, although one of the employees was seriously burned about the face and hands. This explosion was very violent and the pressure built up was so great that one side of the building, a two-story frame structure was blown entirely out, with the exception of the masonry basement wall and it was thrown slightly out of line. Debris was blown seventy-five feet against the side of a building on the opposite side of the street and practically every window in the side of that building was broken by flying fragments. Evidently the flames of the explosion shot across the street because sprinkler heads opened in the building in which the windows were broken.

The plant in which the explosion occurred was also equipped with an automatic sprinkler system but the force of the explosion or the falling floors wrecked this equipment. The street connection was broken off below the dry valve and the sprinkler mains were broken or twisted. Examination after the fire showed that the valves controlling the sprinkler system were open.

The cause of the explosion in this case has not yet been determined. Several probable theories have been advanced but, as is the case in many explosions, the exact cause cannot be stated.

## Explosions from Various Causes

An investigation of the records shows that in November, 1874, there was a serious dust explosion in a wood working plant in this country where the shavings and dust from the finishing machines were blown into a brick vault extending from the furnace room through the various floors to the roof of the plant. An explosion which occurred in the cabinet department of a talking machine factory is reported to have been caused by a back draft from the boilers igniting dust in a shaving separator and dust collector on the roof of the plant.

This separator discharged directly to the firebox of the boilers and it is supposed that the blower connected to the separator stopped or the discharge spout was not removed from the boiler and the draft drew the flames up to the cloud of fine dust in suspension within the collector. The spout was blown from the separator by the explosion and some damage done to other equipment. More than twenty cases have been reported where explosions of wood dust have occurred in the same manner or under conditions similar to the cases here cited and there were probably many other cases which were not reported since the activities of the Bureau along this line were directed primarily toward grain dust explosions.

One of the explosions reported occurred under very peculiar circumstances in an Indiana wood working plant. Oil and sawdust on a bearing caught fire and ignited the sawdust on the floor below. In an effort to extinguish the blaze the assistant engineer dashed a pail of water on the floor with such force that some of the light dust was thrown into suspension and a dust explosion followed.

#### Precautionary Measures

Since laboratory tests have shown that wood dust is explosive and the records show that explosions in wood working plants are not uncommon, the operator of all such establishments should see that all possible precautions are taken to prevent an explosion in their plants. It is impossible to have a dust explosion without a sufficient quantity of dust in suspension in the air and a spark or flame to ignite the dust.

Where a dust collecting system is in-

stalled and there is any danger of an explosion originating at the wood working machines and propagating through the collecting system, it is advisable to provide vents in the system leading to the outside air to permit the release of pressure produced by the explosion, or install a system of induced air currents by which the dust is blown by compressed air directly from the machine to the collector outside the building instead of being drawn into a fan and then blown to the collector.

After all possible precautions have been taken to eliminate the conditions necessary to produce an explosion attention should be given to provisions for the release of pressure from the building should an explosion occur. Where a vault is provided for the storage of sawdust and shavings it should not be built within the plant proper. With the vault flush with one side of the building or entirely separate and distinct from the main plant, provision can be made for the direct release to the outside air of any excess pressure within the vault. A weighted door in the side of the vault heavy enough to remain shut under ordinary conditions but which will swing open under pressure from within the vault will often permit the venting of an explosion to the outside air before any dangerously high pressures have been built up. Where it is necessary to construct the vault within or partly within the main plant, the walls of the vault within the building should be constructed heavy enough to withstand considerable pressure with a large vent leading to the outside air which may be closed by a weighted door, or the vault may be built with one section or side wall outside the

building and constructed of light material which may be blown out easily and thus permit the explosion to escape without damaging the main section of the plant.

#### Situation Same in All Industries

Where the shavings and wood dust are fed to the fire-box of the boiler a check damper should be provided in the spout leading from the vault to prevent any back drafts from the furnace carrying sparks into the interior of the vault. A steam jet introduced in the chute between the vault and the fire-box of the boiler at a plant which suffered from a serious explosion caused by sparks entering the vault in this way, has apparently prevented further trouble from this source. No direct openings should be provided in the walls of the vault at the various floors of the wood working section of the plant. In short, the vault should be constructed so as to provide the greatest possible protection to the employees of the plant by providing a means of venting the explosion from the vault to the outside air and preventing the propagation of the flames from the vault to the main plant.

Although the investigations of the Bureau of Chemistry have been confined almost entirely to explosions in grain elevators and flour and feed mills, the conditions necessary to produce an explosion and the methods of control are practically the same for all dusty industries and the Bureau of Chemistry at Washington, D. C., will gladly forward upon request bulletins dealing with the prevention of dust explosions and give operators of dusty plants all the assistance possible in safeguarding their properties and the lives of their employees.

## The Nation's Foreign Trade

**L**OWER prices rather than diminished quantities, are responsible for the three billion dollars decline in the value of American foreign trade in the last fiscal year, as compared with the immediately preceding year in the opinion of Dr. Julius Klein in his first annual report as Director of the Bureau of Foreign and Domestic Commerce of the Department of Commerce.

"In fact," says the Director, "a compilation of exported commodities, reduced, so far as possible, to a quantity basis, shows weight increases of thirty-four per cent for the groups of raw materials and of thirty-seven per cent for foodstuffs in 1921 over 1920, with a decrease of four per cent for such partly or wholly manufactured

articles as can be shown in weight."

"It will surprise many pessimists to learn," declares Dr. Klein, "that the final totals in this compilation, which included articles forming sixty-nine per cent of the value of domestic exports in 1921, indicated that the exports of these goods increased twenty-three per cent in quantity over the amounts sold last year, though their value decreased nineteen per cent.

The world-wide exchange situation, revived competition in foreign markets, and decreased demand for American raw materials on the part of Europe, combined with a drastic cut in American imports of raw materials are the principal factors contributing to the lower foreign-trade totals, says the Director.

The director refers to the fiscal year 1920-21 as "the most dramatic in the entire history of the foreign trade of the United States." He says "that the extraordinary episodes of that year in our business overseas," resulted in a most severe strain upon the facilities of the Bureau of Foreign and Domestic Commerce, first, as a consequence of the "amazing strides" made by American exports interests during the early months of the year and secondly, as a result of the disorganization and confusion which spread throughout the markets of the world with the accompanying panic of cancellations during the period of depression which marked the closing months of the year.

A new and unusual feature of Dr. Klein's report is a sixty page review of world trade and of economic conditions in each of the important markets of the world.

# Harding's Industrial Peace Temple

*President's recommendation to hold organized employees to the same legal accountability as organized employers follows Platform for American Industry of the National Association of Manufacturers*

**P**RESIDENT HARDING, having demonstrated to a doubting world that great nations can be brought together in some measure of agreement toward alleviating the evils of internecine warfare, has now, in his message to Congress, pointed out a way toward industrial peace in the United States by suggesting the establishment of a sort of National Labor Court or Temple of Industrial Peace.

Realizing that industrial warfare is just as dangerous and destructive to a nation internally as the last war was to the world in general, he recommends the establishment of a judicial or quasi-judicial tribunal that will have the power to adjust national disputes between employer and employee. He believes there is no justice in either side to a labor controversy having power to work toward its own ends without some controlling hand of authority. He sees the situation in its national and broadest light, saying that for the general good of the country and the protection of the public interest, both labor organizations and capital organizations should be held to equal accountability in the eyes of the law. He is taking this position from the viewpoint of doing the greatest amount of good for the greatest number of people; selfish motives have no place in his suggestions.

## A Fundamental Right

"The right of labor to organize is just as fundamental and necessary as is the right of capital to organize," says the President. "The right of labor to negotiate, to deal with and solve its particular problems in an organized way, through its chosen agents, is just as essential as is the right of capital to organize, to maintain corporations, to limit the liabilities of stockholders. Indeed, we have come to recognize that the limited liability of the citizen as a member of a labor organization closely parallels the limitation of liability of the citizen as a stockholder in a corporation for profit. Along this line of reasoning we shall make the greatest progress toward solution of our problem of capital and labor.

"In the case of the corporation which enjoys the privilege of limited liability of stockholders, particularly when engaged in public service, it is recognized

that the outside public has a large concern which must be protected; and so we provide regulations, restrictions and in some instances detailed supervision. Likewise in the case of labor organizations we might well apply similar and equally well defined principles of regulation and supervision in order to conserve the public's interests as affected by their operations.

"Just as it is not desirable that a corporation shall be allowed to impose undue exactions upon the public so it is not desirable that a labor organization shall be permitted to exact unfair terms of employment or subject the public to actual distresses in order to enforce its terms.

## A Court of Labor Disputes

"As we have great bodies of law carefully regulating the organization and operations of industrial and financial corporations, as we have treaties and compacts among nations which look to the settlement of differences without the necessity of conflict in arms, so we might well have plans of conference, of common counsel, of mediation, arbitration and judicial determination in controversies between capital and labor. To accomplish this would involve the necessity to develop a thorough-going code of practice in dealing with such affairs. It might be well to frankly set forth the superior interest of the community as a whole to either the labor group or the capital group. With rights and privileges, immunities and modes of organization thus carefully defined, it should be possible to set up judicial or quasi-judicial tribunals for the consideration and determination of all disputes which menace the public welfare.

"In an industrial society, such as ours, the strike, the lockout and the boycott are as much out of place and as disastrous in their results as is war or armed revolution in the domain of politics. The same disposition to reasonableness, to conciliation, to recognition of the other side's point of view, the same provision of fair and recognized tribunals and processes, ought to make it possible to solve the one set of questions as easily as the other. I believe the solution is possible."

President Harding's recommendations in this direction are applauded by persons who are interested only in public welfare and have no affiliations with either organized employees or organized employers. Some of these adherents say that his stand is so just in its conception and so clear in its logic that the American public can be counted for it whether the present Congress shall be or not. When he says there should be no question as to the right of employees to organize, to bargain collectively and to act together in other ways, he says no more of them than he says of organized employers and no more than is a legal fact as to organized employers. When he says organized employees as such should not be permitted to conduct themselves to the injury of the general public again he says no more of them than he says of organized employers and also no more than is a legal fact as to organized employers.

And there are few people who will be so obtuse as to fail to recognize the simplicity and force of President Harding's parallel between the world now seeking, for its self-protection, suitable procedure to adjust differences among nations without recourse to war and the country also seeking, for its self-protection, to adjust differences between organized employees and organized employers "without resort to those forms of warfare which we recognize under the names of strikes, lockouts, boycotts and the like."

## Suggested in Platform for Industry

And President Harding's recommendations to Congress follow very closely the sense of the planks in the Platform for American Industry, drawn up by the National Association of Manufacturers in 1920, submitted to the National Republican Convention and incorporated in the national platform. This Platform read, in part:

"The organization of many into an effective combination for the protection or promotion of their common interests or the accomplishment of a common purpose, through common means, is a familiar feature of our time. Experience demonstrates that such forms of coöperation, rightly used, are splendid tools for individual and social progress. Abused, they become the

(Continued on page 40.)

# See A Silver Lining For 1922

**I**NDUSTRIAL leaders and general business men are hopeful of the coming year. While most of them see brighter times ahead, they are not in the least blind to many corrections that must be made.

Some timely comments of prominent industrial and business men follow:

**E. H. Gary, Chairman of the United States Steel Corporation:**

"Readjustments and reconstructions are not complete. Difficulties still embarrass and industrial disturbances threaten. Extravagance and indolence are prevalent. Crime and misdemeanors are common. Profiteering still exists. There is urgent need for more work, economy and saving. Stricter observance and enforcement of law are demanded.

"Even though the present period is somewhat critical, it is certain the opportunity for established peace, progress and prosperity is better than ever before. The signs which are apparent indicate that conditions, industrial, commercial, financial, social and political, are improving and will be more satisfactory during the present year than they were during 1921."

**Charles M. Schwab:**

"It is a long road we have to travel, for there is no short cut to real prosperity, but we have already left behind the worst of our troubles, and I am convicted that the future will prove my long-standing belief—that the greatest and most bountiful era we have ever known lies ahead of us.

"We seem to have 'turned the corner' now and to be making headway in the direction of renewed prosperity. I believe we are not hoping for a return of the inflation we have just been through; in fact, we know that that orgy of extravagance and high prices was only a mirage—not sound prosperity. On the whole, it has been a very severe experience for men in all walks of life, from wage-earner to capitalist.

"In my opinion, there is no man who can tell just when to-day's readjustments will be completed, for everything depends on the willingness with which we put our shoulders to the wheel. 'Hard times' followed our wars in the past. Inflation came quickly and was followed quickly by deflation, and that has been true in the present instance.

"It seems fair to believe that the worst of the deflation is now over, and that as we gradually readjust our

affairs normal conditions will be restored. Lower prices do not mean hard times, if we will work and save. High prices are not necessary to or indicative of real prosperity.

"These readjustments may take a year, two years, or more. At present they are causing much discord and discontent. People want to keep their war profits and make the other fellows bear the sacrifices. But these sacrifices must fall on everyone alike. I believe that we shall experience a return of abundant prosperity, once we understand that we must all bear the burdens of to-day. The sooner we accept those burdens, the sooner our troubles will vanish. And my faith in the patriotism and common sense of our wage-earners and business men makes me believe that they are now getting together to build for the future, meeting one another in a spirit of honesty and fairness and coöperation."

**Herbert Hoover, Secretary of Commerce:**

"The economic situation for the new year holds much good promise. Our year of liquidation is over and we can look forward to a year of recuperation. Except for the seasonal dip of the winter we should have a continuous lessening of unemployment and an increasing betterment in the agricultural situation.

"We have still a good many readjustments to be made, due to the inequality in the fall of prices and wages. The farmer has fallen too much. Some of the industries, such as coal, railways and construction, are far above the average levels of the country; but economic pressures, although painful, are in motion which will eventually reduce the expenses of and the charges of these industries against the community."

**Secretary of War Weeks:**

"The industrial and social upheaval resulting from the war reached its crisis during the old year. The period of adjustment has been trying for the people and the government alike, but the raidity with which the American people have been putting their affairs in order during the last few months makes the outlook for complete industrial adjustment and resulting prosperity during the coming year bright."

**S. M. Felton, president of the Chicago Great Western:**

"Three things are needed to enable the railways to earn anything approach-

ing a reasonable net return and at the same time reduce rates. First, a reduction of wages; second, a reduction of the cost of fuel; and, third, an increase in traffic."

**E. M. Baker, president of the Cleveland Stock Exchange:**

"A forecast for 1922 is beset with difficulties. My guess is that business is on the up-trend, and that the year 1922 will be one of rising prices. I think, however, we can look forward with confidence to a year of moderate prosperity."

**M. B. Wellborn, Governor, Sixth District Federal Reserve Bank:**

"The business outlook for the coming year is a great deal brighter than it was a year ago. In my opinion we have passed through the severest part of a depression which has profoundly affected the entire civilized world. Business concerns generally have had opportunity to adjust themselves to changed conditions, as manifested chiefly in a lower level of prices."

**Louis Swift, president of Swift & Co.:**

"This country has turned the corner. Now let us all work so that 1922 will see the fulfilment of our best hopes and desires."

**Thomas E. Wilson, president of the Wilson Packing Company:**

"Packing, the second largest industry in the United States, finished the year with normal production, all of which went into trade channels, not into warehouses—a good augury for business in general."

**Francis H. Sisson, vice-president of the Guaranty Trust Company:**

"The new year offers a happier prospect than that of 1921, because business rests upon a sounder foundation than it did twelve months ago. Nineteen hundred and twenty-two should be a constructive year. Although business interests will build more slowly, they will build with more assurance of stable results than in 1921."

**Secretary of Labor Davis:**

"There is one last tug through difficulties before we can reach the stage of recovery. In the best of times, January and February are always the months of most unemployment. To the workers of the country I say, 'Pull through and have faith.' To business leaders and employers I earnestly counsel: 'Give work to the fathers so that the children may stay in the home and school.'"



# Creating Expert Textile Makers

*Students at special school are taught the science of textiles in every respect—spinning, weaving, pattern designing, cloth analysis and reproduction are among branches in the curriculum*

By HENRY W. NICHOLS  
Director, Bradford-Durfee School

(Photos copyrighted by Underwood & Underwood and Courtesy, Bradford-Durfee Textile School)

THE Legislature of Massachusetts, in 1895, passed an act authorizing any city in the State, operating four hundred and fifty thousand or more spindles to establish and maintain a textile school for instruction in the theory and practical art of textile and kindred branches of industry. This act further provided that, under certain conditions, the State would contribute towards the establishment and maintenance of any school conforming to the provision of the act. Fall River, which at the time of the enactment of this act, and also during the years that have intervened, contained the largest number of spindles of any textile manufacturing city in the country, saw the opportunities offered by such a school located in its city, and as a result took advantage of the act.

The first building to house the school was opened to students in the spring in 1904. It is situated in the center of the city and is in close proximity to two other public institutions, the State armory and the public library. This building is 132 feet in length, with an average depth of 83 feet, and contains three stories and a basement. This structure has continued to be the main building of the school. At the present time it contains the administration offices, exhibition room, machine shop, carding and spinning department, chemistry laboratories, engineering laboratories, designing and free-hand drawing departments and the various class rooms necessary for such an institution.

During the year 1909 the first addition was completed; this addition, known as the mill building, is of modern mill

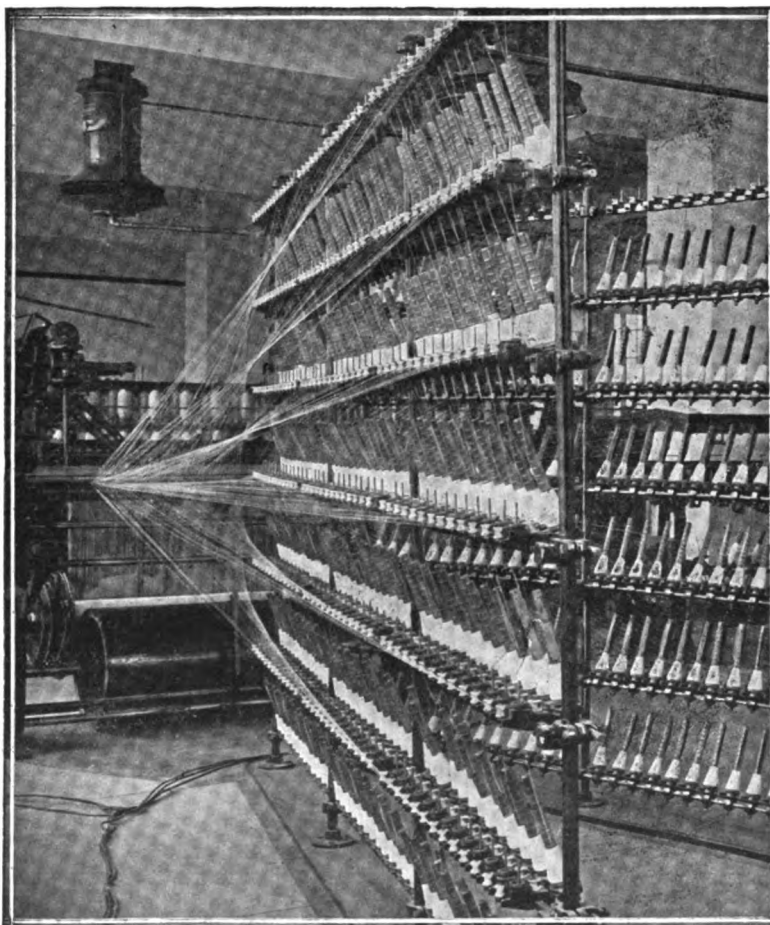
construction, four stories in height and 66 feet by 70 feet. The first two floors are devoted to weaving, the third floor to warp preparation, and the fourth floor contains the hand looms, cloth room machinery, and card-cutting machines. In 1912, there was completed a new power house, consisting of an engine room 26 feet by 40 feet, a boiler house 56 feet by 40 feet, and a pump room 15 feet by 25 feet. This structure is thoroughly fireproof, has large windows on three sides, and a monitor roof.

The last addition to this building was completed in 1913 and consists of a dye house 52 feet by 24 feet. This building has a saw-tooth roof, ventilation specially arranged for a dye and bleach house, and is designed somewhat after the style of the main building.

## The Cotton Manufacturing Departments

The cotton manufacturing departments are equipped with modern machinery from all the leading manufacturers in this country and also from many of the English shops. It is the aim of the school to have as many different makes of the same machines as are recognized as standard, thus making it possible to familiarize the student with the construction of each. In the case of large machines, made up of a duplication of the parts, the school has not procured full-sized machines, but rather has sought to obtain a machine of smaller size, one, however, which would embrace all the parts found on the larger machine. These smaller machines have floor space and are at the same time equally efficient for instruction purposes. In addition to the machines, the school has a large number of models of the important parts of cotton mill machinery and with the use of these models much of the instruction can be given to better advantage than on the machine itself. There is also a full equipment of apparatus for making tests and experiments. With the equipment in the purely cotton manufacturing departments it is possible to carry the cotton through to the cloth and to test the product from each process for any imperfections that may be present.

In the weaving department the school is especially well equipped, there being a sufficient number of plain and automatic looms to care for the large classes that enroll each year for fixing on these looms, while in the fancy end there are looms that range from the ordinary dobby to a Jacquard quilt loom, to-



Winding yarn from bobbins to section beam

gether with a large number of models of box motions, dobby heads, and Jacquard machines mounted on stands for demonstration purposes.

#### Has Competent Engineering Staff

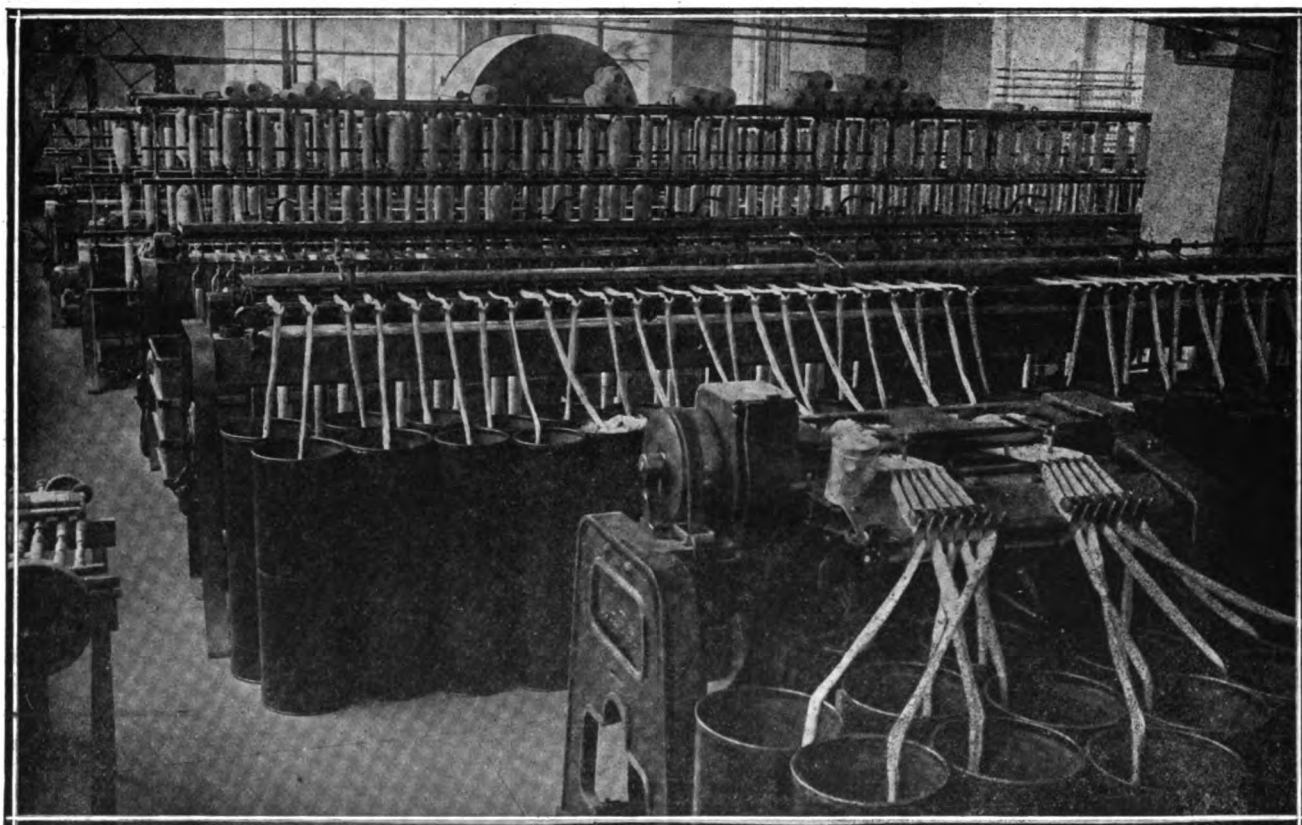
The engineering department embraces a mechanical drawing room fitted with individual drawing benches; machine shop equipped with machines for a large variety of work; experimental steam-engineering laboratory containing a very complete equipment of engines, boilers, pumps, valves, injectors, inspirators, indicators, and other apparatus necessary for demonstration purposes; experimental electrical engineering laboratory which is well fitted with appliances necessary for instruction in this branch.

the Bradford-Durfee Textile School confines its work to instruction in cotton manufacturing and other subjects that have a direct bearing on this branch of the textile industry. The school has never sought to enlarge its scope by means of adding courses and necessary equipment for which the location of the school would seem to preclude any demand, believing that its greatest usefulness is in the field of cotton manufacturing instruction, and that by giving its attention to perfecting such courses as relate closely to cotton it would render the largest returns for the money appropriated.

The school has always had in mind the aiding of the individual and the industry, believing that what benefits one must of necessity benefit the

the object of any school is to impart knowledge, and it is sufficiently early to specialize on any particular branch of the work after one has passed one's school days and entered the industry.

Thus we find that the student taking the Cotton Manufacturing Course is given work in free-hand drawing, engineering, chemistry and dyeing, and the departments giving instruction in these related subjects have been materially enlarged and broadened since the school was opened; so much so in fact that each one of them is offering a special course of its own. It should, however, be distinctly understood that the school has never lost sight of the object for which it was founded, to give instruction in textiles, and that this has ever been the hub around



Cotton yarn going through alternating and doubling process and then onto the bobbins

The chemistry and dyeing department includes a general experimental laboration, an advanced laboration, and the dye house. The general laboratory is provided with desks and lockers for one hundred and forty students, each desk being connected with gas, water, and sink, and furnished with reagents. The advanced laboratory is equipped for thirty-one students, special aids for advanced work being provided.

The dye house contains the necessary machinery and apparatus to bleach and dye raw stock and yarns in a practical manner.

Fall River is a textile center given over almost wholly to the cotton side of the industry, and as a consequence

other. Probably no textile school in the country has gone any further in its evening department than has the Fall River school in the way of training the man for the job, whether the job be operating a machine or caring for several machines. At the same time the school has not been unmindful of the evening student who is seeking something beyond the mere routine of the operative, and the necessary courses for this student are also provided. To the day student it is the aim of the school to give a comprehensive knowledge of the industry, basing its outline of work very largely on the belief that the boy in the school should have his studies made as broad as possible, since

which have been built the courses at present being offered.

#### Course of Instruction Given

The instruction is given by means of lectures and demonstrations. The value of the lecture work is materially increased by means of lecture sheets, especially prepared by the heads of the departments and duplicated. The student retains these sheets, and consequently accumulates during his course a valuable reference work. Very few text-books are used, none whatever in the purely textile work as it is not felt that there are any works published on the different phases of cotton manufacturing which can be adapted to in-

struction work in a school such as this one. In such work as chemistry and engineering, standard text-books are adopted in many cases, although here also lecture sheets are freely used.

The demonstration work is conducted on the machinery with which the school is so well equipped. While sufficient stock is run through the machines to supply the needs of the weaving department, yet it is well recognized that the best results are not obtained by having the student stand over a machine and watch it run. Consequently most of the student's time during the demonstration periods is given up to the mechanical construction of the machine, the different motions found on these machines, the best meth-

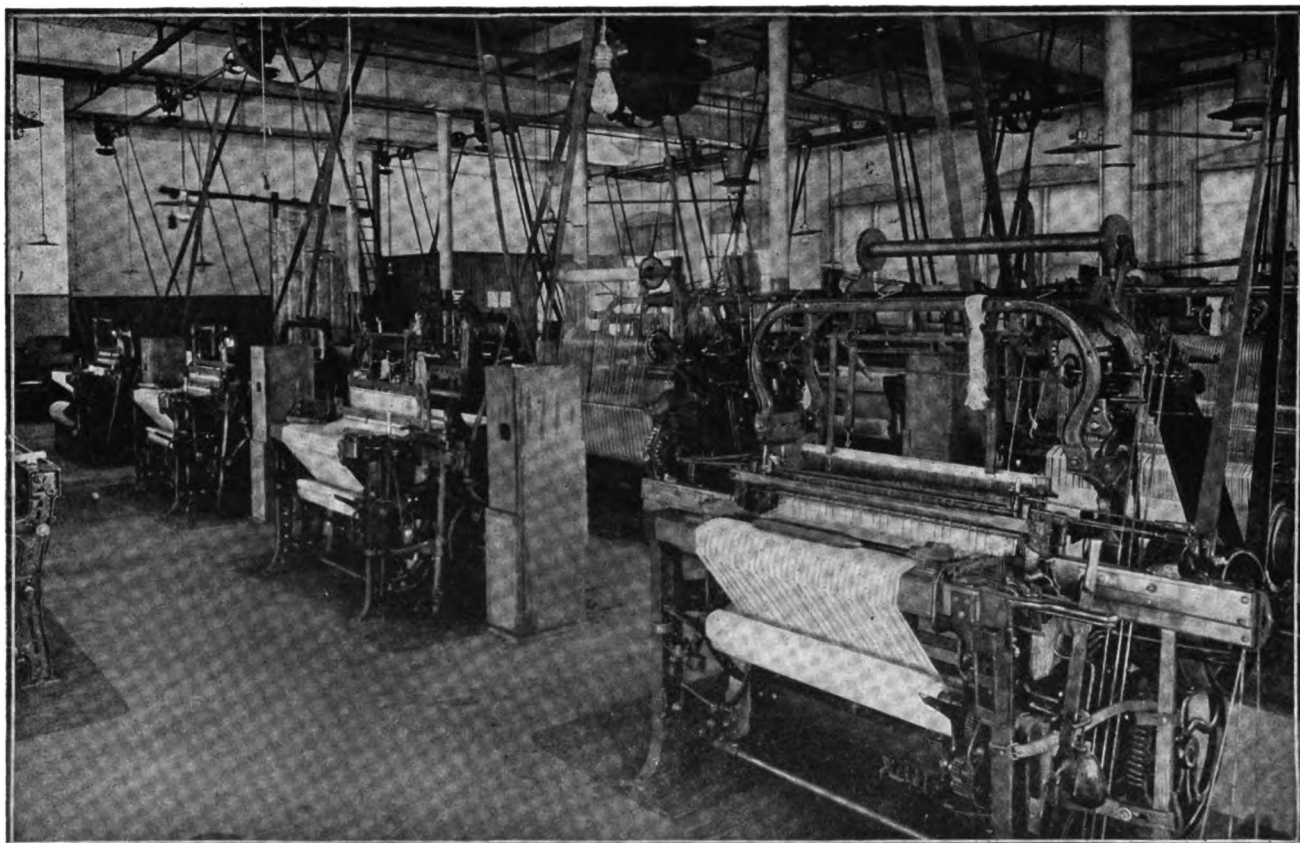
vestigation. The importance of originality in designs is dwelt upon and many of the ideas of the students, worked out in the free-hand drawing and design departments, are carried through the looms to test their value in the finished product. Having the advantage of the wide range of machinery found in this school, the student becomes familiar with the different methods in common use to obtain the same result, and this is a distinct benefit which is not generally found in a mill.

Briefly summarized, the instruction work is so laid out as to give the student the widest possible grounding that the time will permit, believing that the time to specialize is after one

product, the General Cotton Manufacturing Course is always recommended. The subjects covered are as follows:

Cotton Yarn Preparation, Warp Preparation, Weaving, Designing, Cloth Analysis, Dyeing, Mechanical Drawing, Machine Shop, Steam and Electricity, Free-hand Drawing, Chemistry.

The Designing and Weaving Course is offered for students who wish to confine their work largely to the study of cloth construction and reproduction. The major subjects are weaving, designing, cloth analysis, free-hand drawing, and color. The student who follows this course does not receive as broad and comprehensive a training as the student in the General Cotton



View of weaving room where cotton yarn is woven into cloth

ods of setting these different motions, faults in the production and their remedies; in short, it is the aim of the work to give to the student that instruction which will have a tendency to cause him to question the reason why in every case; not to be content with making a setting after a stereotyped manner, but to want to know if there is not some better way, and if not, then why not.

Numerous tests are conducted by the students to determine the best running conditions for different kinds of raw stock, and for different products; many new appliances are tried out on the machines and everything done to arouse the interest of the student and teach him the benefits of original in-

has entered the industry; to instill in the student a desire to know in all cases why certain methods are used to obtain certain results and to stimulate his originality.

#### The Course of Study

In the day department of the school there are four courses offered, as follows:

General Cotton Manufacturing, three years.

Designing and Weaving, two years.

Chemistry and Dyeing, two years.

Engineering, two years.

To the student seeking comprehensive instruction on the different machines used in the manufacture of all kinds of cotton cloth from the raw

course, while on the other hand, he receives more complete instruction and greater practice in those subjects on which he is specializing, and is consequently prepared immediately upon being graduated to perform the duties of certain positions to better advantage than is the graduate of the general course. Owing, however, to his schooling having been along closely confined lines, his choice of occupations is somewhat limited when compared with that of the student taking the general course.

The course embraces the following subjects:

Designing, Cloth Analysis, Warp Preparation, Weaving, Free-hand Drawing, Color.

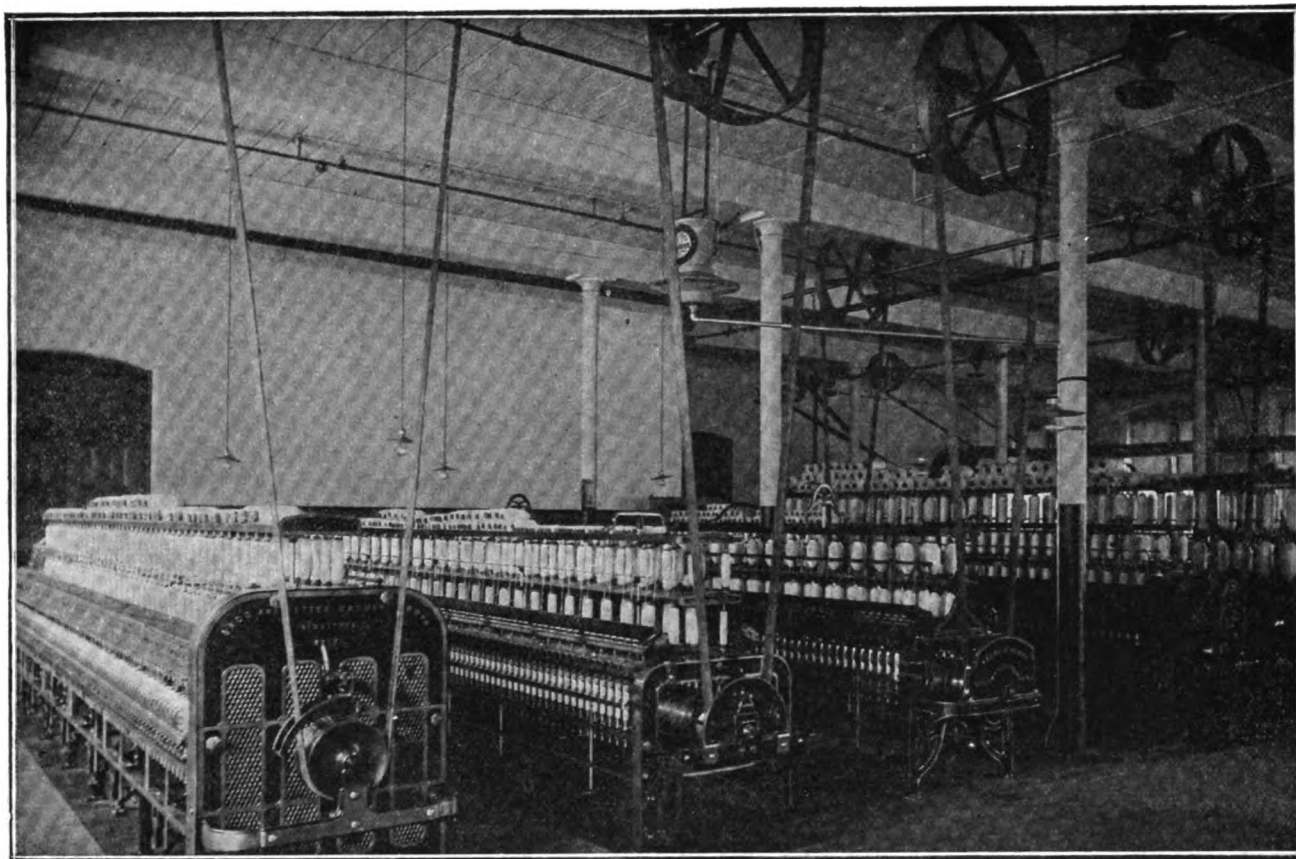
The Chemistry and Dyeing Course is offered for students who wish to specialize in the subjects of chemistry and dyeing as related to textile work. It is adapted to fit young men for responsible positions in bleacheries, dye and print works; with manufacturers of, and dealers in, drugs, chemicals, and dye-stuffs, and for such other places as require the services of a tex-

the school has been planned with special reference to the needs of the man whose work will bring him in contact with textile machinery and textile construction. In such a course the major subjects are mechanical drawing, machine shop, steam, and electricity.

The subjects taught are as follows: Mechanism, Mechanical Drawing, Machine Shop, Steam, Electricity, Cot-

nings a week of one and three-quarters hours each. It is found that much better results are obtained with these small unit courses than by offering courses which embrace a number of subjects and extend over a longer period of time.

The operative who finds himself in need of information on a certain machine, or even on a certain part of



Carding and spinning room where raw fibre is coated and spun into yarn

tile or analytical chemist. The subjects studied are as follows:

General Chemistry, Quantitative Analysis, Organic Chemistry, Industrial Chemistry, Gas, Fuel and Oil Analysis; Chemical Arithmetic; Qualitative Analysis, Commercial Analysis, Preparations, Textile Fibers, Bleaching, Principles of Dyeing, Element of Printing, Finishing Cotton Goods.

The Engineering Course offered by

ton Yarn Machinery, Weaving Machinery.

The Evening Courses are planned to meet the needs of the worker in the mill, who, in the great majority of cases is seeking instruction in one subject only. For this reason the work is divided into a large number of distinct courses, each course dealing with one subject, and, if possible, extending over one term of thirteen weeks, two eve-

ning machine, is attracted to a school where he can obtain that information without being compelled to cover a large amount of ground which, in his opinion, is not germane. Moreover, a large number of such students, after having completed one course, more readily see the advantage of the additional instruction and ordinarily will return to the school to take up other courses.

#### WAR TAXES OFF EXPRESS SHIPMENTS

The war taxes on express shipments, heretofore amounting to one cent on every twenty cents and fraction thereof in transportation charges, were removed on January 1, when the Revenue Act of 1921, became effective.

So far as the shipments of our trade are concerned, this amounts virtually to a reduction in express rates of a little over five per cent and removes the necessity of taking war taxes into account in the payment of transportation charges.

The withdrawal of war taxes on express will, it is expected, save the public approximately \$1,500,000 per month. In 1920, the Government received through this tax alone \$17,502,918. The average express charge was approximately \$1.50 and the average war tax eight cents per shipment.

The American Railway Express, for instance, handles about a million pieces a day or nearly 400,000,000 a year. All shipments forwarded "prepaid" on or before December 31 were assessed the war tax, but shipments

forwarded "collect" and arriving on or after January 1, did not have the tax assessed.

The Treasury Department has requested all claimants, who have claims pending for overcharges or who file such claims after December 31, 1921, to use Treasury Department Form No. 46 for application for refund of the resultant overcharge in tax and file this part of the claim separately with the Commissioner of Internal Revenue within four years from the time the tax was paid.



# TRADE OF THE WORLD AND FOREIGN TRADE OPPORTUNITIES

Conducted by **WILLIAM M. BENNEY**

Manager, Foreign Trade Department, National Association of Manufacturers

## Ireland As A World Market

*Prospective new status of the country and the possible influence of this on the land as a market for manufactured goods is presenting itself strongly to the minds of alert American exporters*

Written especially for AMERICAN INDUSTRIES

By **WILLIAM M. BENNEY**

**T**HE possibilities of Ireland as a market for manufactured goods rarely presents itself to the mind of the average export manager apart from that of the United Kingdom generally. As a rule manufacturers who have cultivated the great British market have granted agencies to London or other English firms for the whole United Kingdom, giving no particular attention to Wales, Scotland or Ireland.

It is true that all the important cities and towns of both Great Britain and Ireland can be reached from an English center in a few hours, and Liverpool, for instance, is particularly well situated for cultivation of a region embracing the great industrial centers of northern England, Southern Scotland and Northern Ireland. But the day has arrived when more intensive cultivation of foreign markets is essential to maintain and steadily expand the outlet for American goods—a cultivation based on that persistent energy and intelligent attention to detail which the German, the Briton and the American so successfully exercises in his respective home market, modified to meet racial and local peculiarities and conditions.

### Densely Populated Area

In the United Kingdom there is a population approaching nearly half of the United States concentrated in an area of that of one of our smaller states, and with a per capita consumption in some articles greater than that of the United States and a general buying capacity second only to that of this country and some of the British Dominions.

The per capita buying capacity of Ireland is not so high as that of the United Kingdom in general, but nevertheless the trade of four and a half millions of people is well worth giving time and attention to the cultivation thereof.

At present Ireland has universal suffrage as in England and Scotland. Ireland is represented in the British Parliament to a larger degree in proportion to population than either England or Scotland, and has the same right to support or oppose legislative measures introduced into Parliament. These measures, where not purely local, as a rule apply to all parts of the Kingdom equally, and of course cover taxation and customs duties.

As a free state with the status of a dominion, Ireland would forego the privilege of seats in the British Parliament and taking part in the government of Englishmen, Scotchmen and Welshmen in their local affairs, but would control its own fiscal affairs and be free to impose such customs duties on imported goods as the majority of Irishmen might desire.

### Hardly a Protective Policy

There would undoubtedly be a strong movement on the part of Irishmen to encourage Irish industry by the imposition of tariff duties on competing foreign goods, whether British or other. It is very doubtful, however, that a protective policy could be agreed on in face of a probably stronger opposition because of possible tariff retaliation on the part of Britain, which is and must remain by far the most valuable market for

Irish agricultural and pastoral products which now form the larger part of Irish exports. But whether or not a tariff stimulus be given to Irish industry, power to provide its own revenues and control its own customs and other fiscal resources without consulting its partners of the United Kingdom undoubtedly will encourage many experiments in industry and commerce, some of which may fairly be expected to result in enlarging Irish industries, increasing Irish production generally and thereby developing both export and import trade.

### Independence Will Stimulate Industry

With the new feeling of national independence and freedom from political strife enterprising Irishmen at home and abroad will turn their prolific minds to plans for placing the home land in a more prominent place among the industrial and commercial as well as the agricultural nations. Once assured of political stability, many Irishmen abroad will be willing to risk their money in enterprises for the development of Irish resources.

These resources are many and some of them have long been developed to a degree of excellence recognized throughout the world. This is particularly true of certain textile products—Irish linen, Irish poplin and Irish friezes. Irish laces testify to the manual dexterity and inherent artistic taste of the people. Shipbuilding on the largest scale and the many machine shops and foundries in connection therewith illustrate Irish engineering capacity.

But Ireland is still predominantly an agricultural country and in the re-

markable fertility of its soil and in its mild and moist climate has exceptional advantage for bringing a large variety of vegetables and fruits to a high degree of perfection and in providing pasture for cattle resulting in producing meat products sought after by all discriminating palates. Irish butter and Irish bacon are illustrations.

#### **Fisheries Present Great Possibilities**

It is, perhaps, in products of the soil even more than in purely manufacturing industries (important as they may also be) that Ireland's larger material development in the immediate future may be looked for. The perfection of its small fruits, as well as many vegetables, point to the possibilities of an important canning industry, and this again suggests the

further development of the rich fisheries of the Irish coasts, the product of which in canned form would appeal to the appetites of many peoples.

The value of Irish commerce in 1919 is estimated by the Irish Department of Agriculture and Technical Instruction (reduced in round numbers to dollars at par rate of exchange) at \$1,625,000,000 of which amount 768 millions represent imports and 856 millions exports.

These figures indicate a very high degree of both productive and consuming capacity on the part of a population of four and a half millions; in fact, more than double per capita that of the per capita foreign commerce of the United States. This comparison, however, would not be strictly fair

as, necessarily, a large proportion of the Irish commerce would be classed as domestic, seeing that the great bulk of the business is with other parts of the United Kingdom—England, Wales and Scotland.

#### **Classed as Overseas Commerce**

But as a free state and the consequent separation of Irish customs from that of the United Kingdom, Irish trade with Great Britain will be classed as overseas commerce—imports and exports—and the figures quoted indicate how important a market Ireland already is and its great possibilities with an increasing population (which the prosperity of the war years for Ireland has brought about) and concentration of the energies of the people on commerce and industry instead of political agitation.

## Education For Foreign Trade

SINCE the practical inauguration of systematic instruction in the principles and practice of foreign trade development under the auspices of the National Association of Manufacturers at its general offices in New York City, in the winter of 1913-14, there has been a rapid growth of the idea of providing courses of instruction in foreign trade by our higher institutions of learning, so that there is now enumerated in a recent circular issued by the National Bureau of Education a list of seventy-one colleges and universities which provide courses of study and preparation for foreign service and foreign trade in particular. These institutions include Harvard, Brown, Yale, Pennsylvania, Columbia and Leland Stanford and other colleges and universities.

Of the seventy higher institutions in which the special training is now offered, the ten highest report each more than 100 students taking foreign trade, a total enrollment for the ten institutions of 2,255 students, about one-fifth of the total number of students enrolled for all courses in collegiate schools of business reporting to the Bureau of Education only five years ago. The University of Washington, Seattle, heads the list with 407 students. New York University is second, with 401 students.

The variety and character of instruction now being offered as preparation for foreign trade in our larger universities reveal at a glance the satisfactory educational response in this field to the demands of business in recent years for a thoroughly trained and informed personnel in the conduct of our rapidly developing foreign trade.

It is unfortunate that just as these courses of training are so well established in so many of our educational institutions that world conditions are such that the opportunities for the graduates during the present year securing positions in which their knowledge can be well utilized will be so few. But with the improvement in international commerce, to the promotion of which leaders in statesmanship, finance, industry and economics in all countries are now devoting so much attention, and which will ultimately produce results, will it is to be hoped in the comparatively near future rapidly afford openings for the majority, if not all, of the young men who have seriously fitted themselves for intelligently taking up lines of work connected with our overseas trade activities.

#### **HARDING'S INDUSTRIAL**

#### **PEACE TEMPLE**

*(Continued from page 33.)*

most deadly weapon organized selfishness can employ against society.

"The public interest requires that the possession and exercise of power through combination shall be accompanied by corresponding responsibility. Every association, whether of employers or employees, must be equally subject to public authority and legally answerable for its own conduct and that of its agents.

"The life of government is its power to function. The right of government employees to adequate hearing and just and generous treatment must be amply protected, but the right of such employees to combine to stop or obstruct the operation of government does not exist.

"The paramount common interest in continuous public utility service empowers and obligates the government to control all combination to paralyze or obstruct it and requires the ultimate submission of disputes threatening the interruption of such service to impartial adjudication without depriving the community of it.

"To preserve equality before the law, the same principles of conduct must apply to all classes of citizens under like circumstances. To make or propose to make it right and lawful for one class of citizens to do that which is unlawful or criminal when done by another class, or to prohibit or pretend to prohibit the use of public funds to enforce any law against an excepted group of possible offenders, is vicious. It should be condemned in principle and offending enactments repealed."

President Harding's recommendation may be taken, not as partisan or representing an inspiration from employer or employe, but as reflecting the attitude of the public toward strikes. Government officials tell us that the country has been losing \$3,000,000,000 a year by reason of strikes. This is enough to move the President to some such a recommendation as he has made. Employers, who are already bound by regulations and restrictions, will favor the recommendation, of course; while some of the labor leaders will denounce it as reactionary.

But this recommendation is no more reactionary than the calling of the Conference on the Limitation of Armaments; it was inspired by and has the unquestioned support of all the people of the country, who are sick of wars, sick of strikes and sick of reactionary groups that would keep the country in a foment to satisfy their own selfish ambitions.

# An American Memorial For Brazil

*Gift to be made this year in connection with the celebration to be held in Rio de Janeiro to commemorate the one hundredth anniversary of the independence of the South American Republic*

A COMMITTEE has recently been formed to enlist nationwide support for a plan to present Brazil with a memorial on behalf of the American people, in connection with the celebration to be held in Rio de Janeiro this year to commemorate the one-hundredth anniversary of Brazil's independence.

The movement originated with the American colony in Brazil, and so highly was it regarded that it was at once adopted by the American Chamber of Commerce for Brazil, in Rio de Janeiro. It is to cooperate with this Chamber that the committee for the United States has been originated.

Once the plan was revealed in the United States, it commanded the ready sympathy of men prominent in international affairs, many of whom offered to serve on the American committee, the officers of which are: John L. Merrill, president of All-America Cables, Inc., chairman; C. A. Richards, vice-chairman; John H. Allen, president of American Foreign Banking Corporation, treasurer, and Leslie E. Freeman, secretary.

The other members of the committee are as follows: Lawrence Armour, vice-president of Armour & Company; Newcomb Carlton, president of the Western Union Telegraph Company; James Carson, president, Pan-American Advertising Association; Charles Lyon Chandler, foreign manager, Corn Exchange National Bank of Philadelphia; J. T. Cosby, vice-president, National City Bank of New York; D. E. Delgado, export manager, Eastman Kodak Company; Henry J. Fuller, vice-president, Fairbanks Morse Company; M. R. Gano, president, Gano Moore Company; Elbert H. Gary, chairman of board, U. S. Steel Corporation; Peter H. Goldsmith, director, Inter-American Div., American Association for International Conciliation; Franklin Johnston, publisher, *American Exporter*; Julius G. Lay, of Speyer & Company; W. S. Gavan, vice-president, E. I. Du Pont de Nemours Corporation; H. C. Lewis, general manager, National Paper & Type Company; John Bassett Moore, president, Pan-American Society; Charles M. Muchnic, vice-president, American Locomotive Sales Corporation; Frank C. Munson, president, Munson Steamship



Proposed Memorial for Brazil

Line; T. S. B. Nielsen, of Sorenson & Nielsen; Charles H. Pratt, president, Pratt & Brake Corporation; Kermit Roosevelt, vice-president, Kerr Steamship Company; Jordan Herbert Stabler, vice-president, Strong & Trowbridge Company; A. H. Titus, president, First Federal Foreign Banking Association; D. G. Wing, president, First National Bank of Boston; Charles A. Stone, president, American International Corporation; Lewis E. Pierson, chairman of board, Irving Na-

tional Bank, and Samuel Vaulain, president, Baldwin Locomotive Works.

The movement has received a warm endorsement from Secretary of State Hughes.

"I am heartily in sympathy with the laudable motives that prompted the members of the American Chamber of Commerce for Brazil, the American Colony in Brazil, and other American citizens, in the initiation of this undertaking," said Mr. Hughes. "It would seem to me a commendable thing and in harmony with the sentiments to be commemorated by the proposed gift, to have it the result of the spontaneous and concerted effort on the part of many private individuals, financial and commercial institutions and Chambers of Commerce that are directly related to and interested in the welfare of the people of Brazil and in commercial intercourse between that country and the United States."

Announcing the formation of the American committee, Chairman John L. Merrill said:

"The various nations will vie with each other in paying fitting honor to Brazil on the occasion of her Centennial. But of particular significance to us is the fact that a great host of private citizens interested in Brazil are also taking steps to this same end, in an endeavor to supplement governmental participation in the Centennial with some unofficial act, symbolic of the bond of sympathy existing between the Brazilian people and themselves. I consider the present a singularly happy moment for us, of the United States of America, to approach our task, which may be likewise termed our privilege. In this war-sick world, struggling under the burden of enormous debts, we are beginning to hear, on all sides, a new and far-reaching cry for coöperation between nations, and a better understanding between our peoples.

"Particularly should countries possessing a similarity of thought and purpose be brought into an ever closer spirit of good will towards one another. With this in mind, our committee has, naturally, welcomed the opportunity of aiding in a work which we believe is destined to cement even firmer our friendship with Brazil.

"Mr. Charles Keck, of New York, whose sincere and brilliant work as a

sculptor has earned him world-wide recognition, has been selected to produce the memorial. His design consists of a colossal figure in bronze, symbolic of Friendship, supported on a lofty and imposing pedestal of stone, enriched with bas-reliefs. At the base are four standing figures: George Washington and Abraham Lincoln representing the United States; José Bonifacio and Rio Branco representing

Brazil. The lower part of the pedestal has three bas-reliefs, one depicting the signing of the American Declaration of Independence, another Dom Pedro I. declaring Brazil's independence of Portugal at the Ypiranga River, and the third a scene symbolical of the lasting friendship of the two countries. The monument will be approximately 60 feet in height and there will be inscribed upon it a statement that it

is the gift of the citizens of the United States of America.

"The Brazilian Government has offered to provide a site for the memorial in the city of Rio de Janeiro, and for this purpose has selected a prominent location on the Avenida Presidente Wilson, overlooking the most beautiful harbor in the world, where the monument will stand as a constant reminder of our love for Brazil."

## Northern Europe Confident

**B**USINESS men in Scandinavia believe the worst of their difficulties are past and that from now on any change which takes place will be in the nature of improvement, according to C. O. Corwin, Assistant Cashier of the Irving National Bank, who has just returned from a ten weeks' trip through countries in northern Europe.

While no great progress is expected in the next few months, he said, the bankers and merchants of Denmark, Norway, Sweden and Finland are looking forward confidently to better things. Two of these countries, Denmark and Sweden, have felt German competition keenly in foreign trade, though in Sweden, at least, it is believed that this condition will not long continue.

"Aided by her low exchange and low labor costs," Mr. Corwin said, "Germany has made it virtually impossible for Denmark to export factory-made articles. On the other hand, exports of Denmark's butter and dairy products have been quite satisfactory for several months, and this has been reflected in Danish exchange. The banking situation seems sound, with speculation pretty well eliminated.

"Swedish industry also has suffered from German competition, and many of the largest plants are marking time. High exchange rates and comparatively high wages have kept the country out of the world's markets. Germany can go to Sweden and charter and operate Swedish ships at about one-sixth of the labor cost which Sweden must pay. There seems to be a very definite feeling, however, that labor costs ultimately will be more nearly equalized. The Swedes say that Germany is not in a position to extend credit, and that German-made goods are inferior in quality to their own. For these reasons, they expect later to regain at least a reasonable share of foreign trade.

"The pulp and paper industry is in a difficult position as a result of the

high rate of exchange. Both Finland and Norway, with their comparatively depreciated currencies, have an advantage in foreign sales. The flow of Russian gold into Sweden seems to be about at an end, but this may be regarded as encouraging. Many persons think this gold has been largely responsible for the high exchange rate. Sweden is quite rich agriculturally and is encouraging the raising of food products and beef cattle so that it will not have to buy as much abroad as formerly. The banking situation seems satisfactory. Bankers feel that the situation is well in hand, and that while there may be some increase of unemployment during the winter, conditions will improve in the spring.

"Shipping, fishing and the production of wood pulp and paper are Norway's chief industries. Most of the ships are idle, and those which are running are barely making expenses owing to high labor costs and low freight rates. An encouraging feature of the situation, however, is that the Norwegian shipowners, in one way or another, have cleaned up the contracts they placed in England for new ships, and while some had to take heavy losses, they know now where they stand.

"The fishing industry is showing improvement. Some time ago, Spain and Portugal placed a virtual embargo against Norwegian fish in retaliation for Norway's refusal to buy Spanish and Portuguese wines. In the last few months, however, Norway has been selling fish in considerable quantities to Italy and other countries, and many boats that were laid up are getting good catches and disposing of them. Incidentally, Norway's prohibition law, which was responsible for the break with Spain and Portugal, is criticised in that it has deprived the government of revenue, has disrupted old trade relationships and has failed to prohibit. Smuggling seems to be indulged in freely, and more liquor is used than before the law went into effect.

"The Norwegian wood pulp and paper manufacturers expect to do better when winter closes the Baltic and makes exporting by Finland difficult. Recent consolidations have strengthened the positions of certain banks, and there is a general confidence that the important institutions will weather the situation in good shape.

"The low rate of Finnish exchange virtually prevents that country from making purchases abroad. The country has suffered from a tendency toward extravagance, both on the part of the government and by individuals, and also from reports which have been circulated by Bolshevik activities. I believe that Finland is in quite a safe position in this particular."

### ITALIAN INDUSTRIAL SITUATION

The French Government has given notice of its intention to end the commercial treaty which has been in force with Italy since 1898. While this has been somewhat of a surprise to Italian people, it is pointed out that the action of the French Government is the natural result of changed conditions in tariff relations with other nations. Both governments are actively negotiating a modus vivendi which will come into force at the conclusion of the three month's notice, thus allowing the final treaty to be drawn up with the full consideration its importance demands.

Considerable interest was aroused in November by the criticism made by the ex-premier Giolitti on the fiscal policy of the present government, which has relieved industry of some of the heaviest burdens which threatened it, and these criticisms will doubtless have an echo in the parliamentary debates. A policy of drastic economy is the most pressing need of the moment, but at the same time it must be tempered to find the large sums necessary for public works to reduce unemployment and ensure that atmosphere of social peace essential to ordered progress. The money for these will, however, be found as far as possible, through local agencies, savings-banks, cooperative consortiums, etc., as the country is resolutely opposed to a policy of further inflation.



# FOREIGN TRADE OPPORTUNITIES

The inquiries for American goods received by the National Association of Manufacturers from abroad will now appear in these columns. In order that the confidential nature of the inquiries may be preserved for the benefit of our members, the addresses of inquirers will not be printed in "American Industries," but the inquiries are numbered, so that members interested in communicating with any of the inquirers may obtain the addresses by writing to the Foreign Trade Department of the Association at 50 Church Street, New York, and mentioning the number or numbers whose addresses they may desire.

Where no language is mentioned, letters in English will be understood.

Provisions, canned goods, cereals, salted fish, soap, hardware, iron and steel products and other staple lines. A native of Porto Rico, who has been for some time export manager of a paper manufacturing company in the United States, will leave in December to establish himself in Porto Rico as agent for American manufacturers. He wishes to hear from firms interested in being represented in Porto Rico. (96)

## MEXICO

Rice grinding mill for grinding into very fine powder; also fancy glass bottles and jars for perfumery and toilet creams. The inquirer desires to hear from American manufacturers. Correspondence in Spanish. (153)

Gasoline or kerosene motor of 5 or 6 H. P. of good construction and with as low fuel consumption as possible. The inquirer in Mexico desires to hear from a manufacturer prepared to give him agency. Correspondence in Spanish. (154)

School supplies and office equipment. A dealer and agent, specializing in these lines, wishes to represent manufacturers. Correspondence in Spanish. (155)

Flour of the better quality, pure lard and compound lard. The inquirer desires to hear from American manufacturers open for representation in Mexico. Correspondence in Spanish. (156)

## CUBA

Saws, saw tools, circular knives, machine knives, mill saws, metal saws and similar equipment. A firm of agents desire to hear from manufacturers not represented in Cuba. (157)

General hardware, plumber's supplies, kitchenware, paints, varnishes, pig iron, slabs, billets, sheet, bars and other metal goods. An established agent representing some prominent manufacturers is open for additional lines. (158)

Heavy and light hardware, building hardware, industrial supplies and food products. The inquirer desires to secure American agency connections. (159)

Piano stools; also tables or cabinets for phonographs with special drawers for holding records. Correspondence in Spanish. (160)

Polishing materials such as black-green English stones or similar material for polishing cement columns and artificial marble work are of interest to a firm of engineers in Havana. (161)

Food products of all kinds for Cuba. The inquirer desires to hear from American manufacturers prepared to give their representation for Cuba. Correspondence in Spanish. (162)

## PORTO RICO

Agencies for Porto Rico. A recently established firm of agents and commission merchants in Porto Rico who have an office in New York, are interested in representing manufacturers of such lines as galvanized sheet steel, nails, barbed wire, office supplies, sole leather, shoemakers' supplies, artificial butter, wrapping paper, bags and provisions. (163)

Electrical materials, including wooden posts for lighting systems, wooden brackets, pins, molding, etc. A firm of retail dealers are in the market for these goods. (164)

Food products such as rice, flour, bacon, ham, starch and fish; also oils, paints and kindred goods. A long established merchant desires to secure American agencies. (165)

## OTHER WEST INDIES

Spruce and pine lumber for boards and beams is required by a party in Martinique. Correspondence in French. (166)

Staves for making barrels and barrel heads. The inquirer states he can negotiate for an entire boat load to Martinique at regular seasons. Shipment point must be near Mobile or New Orleans. Correspondence in French. (167)

Automobiles, motor trucks, automobile accessories, dry goods and food-stuffs of all kinds. Importers and commission agents in Trinidad wish to extend their connections with shippers in the United States. (168)

Windmills for pumping water from deep wells equipped with electric generators to produce electric current for storage batteries. Catalogues, prices, and general information is requested. Correspondence in Spanish. (169)

Hosiery, knitting machinery for silk hosiery, and silk yarns for hosiery; machinery, looms and apparatus for the manufacture of silk and raw materials for same; looms and textile machinery generally for the manufacture of cotton shirtings. The inquirer desires to hear from American manufacturers. (170)

## BRAZIL

Hardware and notions. One of the partners of a firm of agents in Brazil who is in New York until the

middle of January, wishes to make arrangements with manufacturers interested in representation in Brazil. (171)

### CHILE

**Pea shelling and splitting machinery** and equipment for cleaning and sifting peas; machinery for spinning hemp fiber, for braiding the yarn, and for making soles for "alpargatas" (native shoes). An inquirer in Chile requests detailed information regarding this equipment. Correspondence in Spanish. (172)

**Wooden pipe or conduit manufacturing equipment**, including apparatus for cutting, drying and planing wood, for winding the pipes with wire and for applying water proof coating. The inquirer desires to receive quotations on complete outfit. Correspondence in Spanish. (173)

**Textiles, hosiery, underwear, shirtings, drills, cambrics, cashmeres, print cloths, coal and coal oil, cement, lumber, paraffine, glass, iron and steel products, wax, gasoline, kerosene, condensed and evaporated milk, salmon, rice, flour and lard.** The inquirers in Chile are starting an import and commission business and desire to hear from American manufacturers. (203)

### COLOMBIA

**Equipment for making sugar tablets.** A sugar planter in Peru is planning to engage in the manufacture of sugar cakes or tablets, also mixed with fruits or parched corn in various attractive shapes, the material used being "chancaca," a paste obtained from cane juice. He requests detailed particulars regarding apparatus, moulds and other equipment necessary, and also cardboard boxes and supplies required. He wishes to handle 2,500 to 4,000 pounds of juice per day of 10 hours. Correspondence in Spanish. (174)

**Folding paper boxes** suitable for the drug trade, for packing goods and bottles; also stationery, paper bags and allied lines. The inquirer requests samples and quotations. Correspondence in Spanish. (175)

**Merry-go-rounds**, preferably with organ. The inquirer requests quotations and details. Correspondence in Spanish. (176)

**Toys and specialties** in goods of all kinds suitable for the 5 and 10 cent store trade are of interest to merchants in Colombia. (177)

### AUSTRALIA

**Electrical supplies, general hardware and automobile accessories.** A recently established firm of agents wish to make connections with American manufacturers. A New York export house advises that all purchases which the concern may make for their own account will be paid for by the New York house. (178)

### JAPAN

**Rubber thread** for textiles requested by a braid manufacturing concern in Japan. The inquirers desire quotations, samples and terms. (179)

### CHINA

**Quarrying machinery** for cutting limestone, rails and trolleys for transporting the stone; also cement, brick making and rice milling machinery. A party in Hongkong wishes to hear from American manufacturers. (180)

**Machine for hermetically closing tins** without soldering; also machine for sterilizing fruits in the can. A provisions dealer in China requests complete data with quotations, terms and descriptions. Correspondence in Italian. (181)

**Medical supplies and paper.** An American firm of importers and agents wish to hear from manufacturers who would be prepared to carry consignment stocks in China. (182)

### INDIA

**Tobacco grinding apparatus** suitable for grinding natural damp tobacco stems and stalks to finest powder. Illustration and quotation on mill that can be run 4 to 7 brake H. P. are required. (183)

**Drills and twills** in khaki and blue for the manufacture of uniforms for soldiers and constables. The inquirers state they will shortly be in the market for these materials, their annual requirements being 300,000 to 400,000 yards. (184)

### ASIA MINOR

**Macaroni flour and oleo oils** for Asia Minor. A firm in Smyrna wish to hear from manufacturers prepared to export these goods. Correspondence in French. (185)

### AFRICA

**Cigarette making machines** of all kinds for South Africa. The inquirer desires catalogues and quotations. (186)

**Agencies for Egypt.** The inquirer, who has a very good knowledge of the

Egyptian market, wishes to represent American manufacturers of lines suitable for that market. Correspondence in French. (187)

**Canned goods, pork products** of all kinds principally sausages, cheese and food products generally for Algeria; also machinery supplies of all kinds for equipping stone yards. Correspondence in French. (188)

**Leaf tobacco**, particularly Burley, Kentucky and Maryland varieties. An inquirer in North Africa wishes to hear from American shippers. Correspondence in French. (189)

### GREAT BRITAIN

**Tinned iron basting spoons** and similar products for Great Britain. A leading firm of American manufacturers' agents state they can do a large trade in this line. (190)

**Pulp making apparatus**, suitable for pulping leather waste cuttings is required by a party in Great Britain. (191)

### FRANCE

**Machine tools and metal working tools** such as boring bars, boring tools, countersinks, reamers and similar tools. The inquirer desires complete particulars, catalogues and quotations. (192)

**Office equipment**, including vertical steel filing cases, typewriters, manifold and copying machines, letter copying presses and other modern office equipment. A firm of agents specializing in office apparatus desires to secure American agency connections. Correspondence in French. (193)

**Hosiery** of all kinds in cotton, lisle, mercerized and silk. A firm of importers wish to hear from American suppliers. (194)

### SPAIN AND PORTUGAL

**Cotton waste, leather belting** and other machinery supplies. An agent in Spain wishes to represent American manufacturers. (195)

**Knitting machinery** for hosiery, looms of all kinds for cottons and silks, carpet making looms, and embroidery making machinery; also fine mercerized and unbleached cotton. Correspondence in Portuguese. (196)

### GREECE

**Cotton sheeting** for Greece. An agent wishing to represent an American mill states that he can do a large business in this line. Correspondence in French. (202)

## SHIPPERS AND THE FREIGHT RATES

(Continued from page 20.)

about 6,000 of these reductions on various commodities, and when put into effect by the several railroads amount to many times 6,000 changes.

The point was developed that a ten per cent reduction in rates on agricultural products would reduce annually the revenues of the Wabash railroad approximately \$1,233,034, or 2.55 per cent of its gross revenues, computed on the traffic of 1921; for the New York Central lines a reduction of \$3,053,000, or 1.50 per cent of the gross freight earnings; for the Pennsylvania \$5,800,000, or 1.26 per cent of the gross revenues; for the Erie railroad \$1,250,000, or 1.25 per cent of the gross income; for the New York, New Haven and Hartford and the Central of New England railroads \$365,000, or 1.25 per cent of the total, and for the Delaware, Lackawanna and Western railroad \$990,720, or 1.46 per cent of the gross earnings.

## Believes World Conditions Improving

"The railroads are not in a position to experiment beyond what they already have done in lowering rates at this time," said George M. Shriver, vice-president of the Baltimore and Ohio railroad. "It has been recognized as a fundamental principle that the country should have a strong and effective transportation system, and rate scales have been regulated and adjusted in conformance with this principle. With this as a basis, it does not appear that it is to the interest of the business of the country, or of the public generally, that these rates should be brought down permanently until the deflation processes now operating toward a pre-war level of costs have been more completely realized than they are at the present time.

"The underlying conditions of the world appear to be improving generally. While current operating costs are on a basis which affords an inadequate return to the roads, the basic elements of cost are declining, and with indication that they will continue to decline, so that in the not distant future railroad transportation may again be brought to the position of a low priced commodity—lower than in any other country."

In taking up the financial condition of the railroads at this time, Mr. Shriver designated the year of 1916 as a basis of comparison with the years of 1920 and 1921. He pointed out, however, that 1916 was a year of substantial traffic handled under favorable operating conditions, while 1920 was exceptional in the fact that for the first two months the properties were operated under Federal control, and these two months carried some extra-

ordinary expenses incident to the conclusion of such operation.

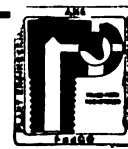
The total operating revenue in 1916 was \$3,596,865,766, with a net operating income that was applicable to interest and other corporate purposes of \$1,040,084,517. The increase in revenue in 1920 over that of 1916, due to increased traffic and increased rates, aggregated \$2,581,522,280.

But during these four years the wages were increased, so that in 1920 the outlay in wages alone was \$2,193,967,278 more than in 1916. The cost of fuel in 1920 over 1916 was \$452,229,229, making a total increased cost on these two items of \$2,646,196,507. Other expenses increased in the sum of \$827,870,197, so that the total increase in expenses in 1920 over 1916 was in excess of the increase in revenues in the sum of \$892,544,424. In other words, the increase in expenses for the four years amounted to \$3,474,066,704. These increases brought the revenue down to a net sum of \$147,540,093, and from which is to be deducted a sum of \$125,878,311 as increases in taxes, hire of equipment and rents, leaving the net operating income in 1920 available for interest and other corporate purposes of \$21,661,781. Taking the business of the roads as a whole, the revenues increased during the four-year period by 71.77 per cent, while the total expenses increased during the same period by 147.37 per cent. The total hours on duty of all employes in 1920 was 7.68 per cent larger than in 1916, but the total wages paid in 1920 was 149.39 per cent greater than in 1916.

Mr. Shriver pointed out that the Director General of Railroads still owes the railroads as unpaid compensation the sum of \$459,609,114, and for depreciation and property retired the sum of \$313,239,824, making a total due from the Government of \$772,848,938. There is the sum of \$196,486,079 due to the Director General in open accounts, which brings the balance down to \$576,362,859. The Director General has estimated that the sum of \$48,396,000 will be required to make up the difference between the material taken over by the Government with the railroads, and that returned to the carriers, and making a total estimated balance due the railroads, subject to the adjustment of final accounts, of \$624,758,859.

## FOREIGN POSTAGE RATE CUT

Postmaster Morgan, in New York City, announces that on and after January 1, 1922, the domestic postage rate of two cents an ounce or fraction thereof will apply to letters for Argentina, Brazil, Costa Rica, Ecuador, Jamaica and Martinique.



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\$ \$  
\$

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AIR COMPRESSORS**

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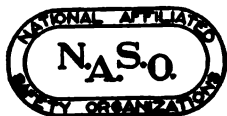
## BRANCHES

Mass., Boston, 10 High Street  
Rhode Is., Providence, 511 Westminster St.  
Conn., Bridgeport, 945 Main Street  
New York, Syracuse, 445 So. Warren St.  
New York, Watertown, 224 Factory St.  
New Jersey, Newark, 845 Broad Street  
N. J., Atlantic City, 11 S. N. Carolina Ave.  
Penn., Philadelphia, 527 Com'l Trust Bldg.  
Penn., Pittsburg, 217 Water Street  
No. Carolina, Asheville, P. O. Box 667  
Georgia, Newman, P. O. Box 246  
Louisiana, New Orleans, Whitney Bldg.  
Kentucky, Louisville, 111 No. 8d St.  
Ohio, Cincinnati, 8621 Columbia Ave.  
Ohio, Cleveland, 629 Euclid Ave.  
Ohio, Youngstown, 507 Stambaugh Bldg.  
Illinois, Chicago, 2457 S. Western Ave.  
Missouri, St. Louis, 1987 Ry. Exch. Bldg.  
Missouri, Kansas City, 812 Elmhurst Bldg.  
Neb., Omaha, 504 First Nat. Bk. Bldg.  
Okla., Tulsa, 425 Iowa Bldg.  
Colo., Denver, 982 Equitable Bldg.  
Calif., San Francisco, 115 Mission St.  
Wash., Spokane, South 2818 Scott St.  
Virgin Islands, St. Thomas, Main Street  
Can., Montr'l, H. P. Ross, 180 St. Jaa. St.  
Cuba, Havana, Victor C. Mendosa  
Holland, The Hague, Ruhask & Co.  
France, Bordeaux, 58 Rue Boric



Other  
Foreign and  
American  
Agents  
Wanted





## Safety Devices

### Of the National Affiliated Safety Organizations

**Comfort Safety Goggles**—To protect eyes against flying dust, metal chips or glare of light.

**Arc Welders' Helmets**—To shield eyes against intense rays of the electric light.

**Leggings**—To protect foundry-men's legs against molten metal.

**Shoes**—To protect workmen's feet against molten metal.

**Respirators**—To prevent inhalation of harmful dust or fumes.

**Knuckle Guards**—To protect hands when wheeling barrows or trucks through doorways or narrow passages.

**Ladder Feet**—To prevent ladders from slipping.

**Chip Guards**—To protect eyes from injury by chips thrown from lathe tools.

**Metal Danger Signs**—Portable, for use in shop, yard or street.

**Linen Danger Signs**—Various warnings of danger, for attaching to sign boards or partitions.

**Rules for Cranemen**—For guidance of crane operators and others.

**First Aid Jars**—Emergency outfit especially developed for industrial use.

**Stretchers**—Sanitary metal stretchers, which can also be used as cots.

**Shaft Protector**—Spirally wound mailing tubes, to prevent injury to persons if their hair or clothing should catch on shafting.

The NASO Safety Devices were developed through the co-operation and at the expense of the associations comprising the National Affiliated Safety Organizations—the National Association of Manufacturers, 50 Church Street, New York City; the National Founders' Association, 29 LaSalle Street, Chicago; and the National Metal Trades Association, Peoples Gas Building, Chicago.

The NASO Devices are all sold at practically cost price, but any profits derived from sales are utilized for further research and development work along safety lines.

Information may be obtained from the Secretary of the National Founders' Association.

### EXPORT STATISTICS IN 1922

A revised and extended classification will be effective for exports from the United States on and after January 1, 1922. The new classification lists 1,250 separate items, an increase of 76 per cent over the 710 classes in the present schedule.

Quantities will be shown for all classes of commodities, in commercial units where customarily used in the trade, or in pounds where no commercial unit is applicable. By this means it will hereafter be possible to ascertain from the statistics the fluctuations in volume of trade, which on account of price fluctuations could not be done under the former classification for classes which showed value only.

In order to compile accurate statistics and make them of the greatest value to the trade interests for whose benefit they are collected, the active coöperation of manufacturers, exporters and shippers is required. Accuracy will be materially increased if shippers forwarding merchandise for export from an interior place will prepare the "Shipper's Export Declaration" (Customs form 7525), instead of leaving this to be done by forwarding or shipping agents at the seaboard or border.

The new schedule, entitled "Statistical classification of domestic commodities exported," is for sale at 5 cents per copy by the Superintendent of Documents, Government Printing Office, Washington, D. C.

### REPEAL OF WAR MEASURES

Australia has just repealed another war measure affecting commercial transactions. The information is conveyed to the National Association of Manufacturers in a letter from the office of the Commonwealth of Australia in New York, December 17th, reading as follows:

"Referring to previous correspondence, I have to inform you that I am in receipt of a cable from the Prime Minister's Department, Melbourne, stating that Section 19 of the War Precautions Act Repeal Act has been repealed.

"Section 19 referred to required the agents or representatives in Australia of foreign firms and companies to furnish certain information including the names, nationality, and addresses of the members of the firm or company; the amount of capital—the names and addresses of branches—and any such other particulars as may be required.

"As the Section referred to has now been repealed, the information formerly required of firms and companies will not now be asked for. Yours faithfully, D. D. Edwards, Official Secretary."

## NORWAY

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**HIGHER DUTIES IN MEXICO**

The President of Mexico, using the extraordinary power conferred on him in May, 1917, enabling him to make changes in the customs tariff, decreed, on November 30th, the establishing of surtaxes of from 25 to 100 per cent on the importation of goods, some of which are considered as luxuries and others considered as articles which can be produced by Mexican industries.

The decree establishes a surtax of 25 per cent on the duties already assessed upon common tanned hides (other than furred skins, and sole leather, and tanned skins more than one centimeter thick).

The surtax of 50 per cent is upon articles manufactured of fine furred

skins, confectionery, candy, cocoa and chocolate, ordinary building lumber, fine woods and veneers and manufactures of wood, including wood furniture, brooms and brushes of vegetable fibres, silk fabrics and manufactures thereof, medicines, pharmaceuticals and chemicals not specified.

The 100 per cent surtax is established upon leather gloves, leaf and manufactured tobacco, cordage and rigging, fine and ordinary jewelry, aromatic distilled waters non-spirituous, tanning and dyeing materials, matches, medicinal soaps, scented and unscented soaps for toilet or bath.

The surtaxes will be applied upon goods reaching Mexican ports or custom houses on or after the first day of January, 1922.

Details of the decree, which affect ninety sections on the tariff, can be obtained from the Tariff Division of the Foreign Trade Department of the National Association of Manufacturers.

**WATER POWER SAVING COAL**

(Continued from page 10.)

sion in duplicate from the lines of the Sao Paulo Light and Power Company. The power for running the electrified section is generated by water power, and thus the fuel problem so far as this section is concerned—an important one in the case of this railroad—is solved. Because of the high price of coal and the great difficulty in obtaining it, wood is burned almost exclusively in that part of South America. The variety most used is known as quebracho, which gives satisfactory results except that, of course, the quantity required for a 100-mile run is very bulky. There has been considerable difficulty recently in procuring even wood that is suitable for this purpose. Electrification was therefore decided on as the solution of the problem.

The automatic sub-station is aiding in the development of hydro-electric power. It is making it possible economically to utilize the energy of water falls sufficiently important to make the amount of power that can be generated from them important, but which are not of sufficient importance from the

standpoint of potential power to warrant the construction of a manually-operated power station.

The demand for electric power is growing with great rapidity and reaching huge proportions. This is indicated by the fact that the population of the United States increased slightly less than fifteen per cent in the ten years from 1910 to 1920, while the number of customers of electric light and power companies increased more than 250 per cent, and the amount of electrical energy sold increased over 350 per cent, in the same decade.

More and more the world is realizing the enormous value of its hydro-electric resources, and the future is to see great development in this field.

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## Export Publishers' Association

Among the objects of this Association are:

(1) The adoption of the most modern standards of practice in the publishing of American export publications.

(2) Helpful co-operation with American manufacturers and advertising agents in working out sane and definite export policies.

(3) Dissemination of helpful data to American manufacturers on the markets of the world.

(4) To focus foreign buyers' favor on American products, instilling in them the good

will and honest purpose of American manufacturers.

This Association comes into being at a time when realization of the economic necessity of foreign trade is beginning to break on American business minds. The outlet for American surplus productive capacity runs to the sea. To aid in navigating this outlet safely and wisely, is the purpose of the Export Publishers' Association, member periodicals of which have subscribed to the standard of practice set forth below.

1. To maintain the highest standards of editorial and business practice.
2. To set forth clearly its editorial objects.
3. To refuse to publish puffs or paid write-ups; to keep the reading columns independent of advertising consideration, and to measure all news by this standard: "Is it real news?"
4. To solicit advertising solely on the merits of the publication.
5. To supply advertisers with full information regarding character and extent of circulation including detailed circulation statements subject to proper and authentic verification, either by membership in the ABC or by sworn affidavit whenever requested.
6. To accept advertising only from advertisers who have a good commercial reputation, fulfill their claims and maintain their standards.
7. To maintain the advertising rates printed on the standard rate card of each paper with the intention to bring all its advertisers to one rate.
8. To eliminate such competitive methods as are not conducive to the promotion of export advertising as a whole.
9. To publish only authentic, and accurate information concerning conditions in the foreign countries served by it.
10. To co-operate with all organizations engaged in work which will tend to develop export advertising.

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Pacific Ports  
Spanish Vogue



# Wide Demand For U. S. Valuation

*Convention called by the National Association of Manufacturers in Washington memorializes the President and Congress for action to protect business and industry against European export flood*

**M**ANUFACTURERS and producers from every section of the United States, gathered in Washington on January 30 and 31 at a special tariff convention, called by the National Association of Manufacturers, and unanimously adopted a memorial to the President and Congress of the United States, calling for immediate passage of a tariff bill and urging the incorporation of the American valuation principle of assessing duties, as a definite means of protecting this country from the flood of cheaply-made goods from Europe.

President Harding received a committee from the convention, headed by John E. Edgerton, president of the National Association of Manufacturers. He took keen interest in the statements of the committeemen and indicated a desire for early tariff action, but naturally was non-committal on the matter of American valuation.

A special committee also called upon the members of the Senate Finance Committee. While the committee declined to re-open the hearing, the manufacturers are confident that American valuation will be embodied in any tariff bill that is passed.

Outstanding points developed at the convention were:

1. Europe, particularly Germany, is flooding this country with goods made at ridiculously low cost compared with the cost of production in this country. These goods cover aluminum, cutlery, textiles, shoes, locks, razors, aluminum ware, cameras, steel and iron products, toys, chemicals, and numerous other articles.

2. This flood of goods already has caused a slowing down in the production of many factories.

3. The inevitable result will be that manufacturers must reduce the selling price of their own goods to meet the ruinous competition and force down the wages of their employees.

4. American manufacture and American labor, which for decades has continued on the highest plane with the most beneficial results for both, cannot completely revolutionize itself now and come down to the low plane of production and low level of industrial life of other nations.

5. Depression in industry is bound to continue if the Government does not take some action to put the goods that come to this country on the same basis of competition as goods produced here.

6. The present ruinous system of assessing duties on the foreign values, has resulted practically in allowing Germany the benefit of free trade with this country, while our own industries and our own ranks of workers are compelled to suffer.

7. American valuation is demanded because it will prevent the undervaluation of goods coming to this country; also American valuation will be the same for an article no matter from what country it comes.

8. American valuation is demanded, not only by the manufacturers; but representatives of the farmers and representatives of labor, declared that they were strongly in favor of it, because it provided a means by which the unfair competition would be

stopped and American industries be allowed to proceed on the same high level of development that has been the means of making the United States the ideal industrial country of the world.

The memorial to the President and to Congress, which was adopted without a single dissenting voice, read:

"Our country is today in the grip of the greatest economic crisis of our time. Great numbers of men and women are unemployed. Farmers are beseeching Congress to alleviate the difficulties with which they are confronted. In all parts of the country producers are being obliged to discontinue or greatly curtail production.

"The utmost determination to surmount the existing difficulties by energy, efficiency and thrift, are unavailing in the face of a foreign economic invasion such as our country has never before witnessed. Farm products and manufactured articles are being dumped upon our market from many countries whose depreciated currencies and depreciated economic standards have greatly lowered former low production cost.

"The present basic Revenue Act of 1913 was avowedly designed by its authors as merely a revenue measure from which, so far as possible, the element of protection to American producers was entirely eliminated. The depreciation of foreign currencies since that law was enacted has greatly reduced its effectiveness even for revenue purposes; and the vastly increased quantity of imports, made possible by its low rates of duty and

uncertain basis of valuations for dutiable purposes, are displaying corresponding quantities of domestic production, thereby intensifying the evils of unemployment and consequent restriction of mercantile business.

"If the hardships of unemployment and its attendant evils are to be removed it is essential that there shall be a prompt return to a policy of protection for American labor on the farm, in the mine, and in the factory; and to make such protection effective under the new and altogether unprecedented economic conditions now prevailing in competing countries, it is imperative that the American valuation method of assessing *ad valorem* duties shall be incorporated as a basic administrative principle of the tariff act, as by so doing there will be placed on the statute books an operative enforceable law as against the present inoperative and non-enforceable law.

"The opposition to the American valuation plan is essentially an opposition to the substitution of protective tariff rates in the place of the revenue rates of the act of 1913. All other reasons for opposing that method of assessing duties have been effectively refuted. The fundamental issue is now narrowed to the mere question of whether the tariff policy of the country shall be done for revenge only or one for such protection as will assure employment for American labor.

"This convention, representative of the great industrial activities of the country, joins with those innumerable organizations which have already spoken in approval of the American valuation plan of assessing the duties on imports; and in urging immediate revision of the tariff laws for the purpose of providing needed protection for the labor of manufacture, agriculture and mining.

"We respectfully urge that the provisions in the pending Fordney Tariff Bill be retained that provide for American valuation by American appraisers in America.

"BE IT RESOLVED, That a Committee of ten members of this Convention, in addition to the Chairman of this Convention, be appointed by the Chair for the purpose of presenting the views of this Convention to the proper Committees of the United States Congress and to the appropriate Executive Officers of the Government."

In spite of the fact that Washington had been practically snow-bound for three days and that the entire city was mourning over a terrible disaster in a moving picture theatre, by which more than one hundred lives were lost, the meeting convened with something like four hundred delegates present from all over the country.

In opening the convention, Mr. Edgerton said:

"Gentlemen of the Convention, we have met for an extremely important purpose but under rather unhappy circumstances. We find ourselves in somewhat of the atmosphere of gloom, brought about by the horrible catastrophe that visited our capital city on Saturday night.

"Except for the extremely important matters for which we have assembled we might not meet at all except to express our sympathy for the relatives and friends in Washington who have suffered from this terrible visitation.

"The National Association of Manufacturers was created for the purpose of serving the nation primarily through the advancement of its industrial interests. It is the one great medium through which all the manufacturers of the nation can give the most effective expression to their collective thought on all problems involving the common welfare. It is controlled in its activities by the majority principle. It seeks no special favors for its constituency at the expense of any other interest, and it expects no reward that does not come through a process of constructive service.

"One of the problems which are fundamental to the economic life of the nation is that of the tariff on imports. By dint of an extraordinary series of circumstances with which you are familiar, this problem has reached an extremely acute stage, and at this moment it is of maximum importance to an early restoration of our economic equilibrium. It must be obvious to all who are informed and who think about the clouds of their prejudice that the production industries of America cannot weather the storm of foreign competition even in our home markets unless they are adequately protected against the cheaply made products of other countries. Unless and until that protection is furnished by the Government which is largely supported by the interests seeking the assistance, those thousands of manufacturing establishments now idle will continue so and thousands of others that are now running sluggishly will ultimately shut down, releasing other millions for involuntary service in the already swollen ranks of the unemployed. The only possible alternative in the absence of proper tariff protection is to bring down our operating costs to the level of those prevailing among competing nations. That would of course mean radical wage reductions and the levelling of American standards with those of foreign countries. It is unthinkable that a government which

thrives chiefly upon its industries will withhold from them for a single unnecessary moment the protection which they so sorely need and deserve.

"I have all necessary evidence to support the declaration that the overwhelming masses of the manufacturers of the nation and the vast majority of all other producing interests together with millions of wage workers insist, first, that their government come to their rescue at the earliest practicable moment with adequate tariff legislation, and, second, that this legislation, whatever its character or form shall embrace the administrative principle of American valuation. The chief virtues of this principle are that it is equally applicable to a high tariff or a low tariff, to a tariff for revenue only or to a tariff for protection, but that it will be uninfluenced by rates of exchange in foreign countries, and that it will put upon a uniform and equal basis the products of all countries which come to ours. If it is right and necessary that a government fix the rates upon imported commodities, it is right and necessary that it should make the assessment of values to which the rates are to be applied. For a government to fix the rates upon importations and then leave to the owners of the commodities the power and right to determine the basis of valuations is as absurd as it would be to fix the rate of taxation upon real estate and leave it to the owners to assess the property.

"The lament, largely from the importing interests, that the adoption of the American valuation principle would mean the fixing of prices by the Government has no foundations in reason. It would mean only the ascertainment of market values for the purpose of applying tariff ratio. If, however, in this governmental process of ascertaining and publishing values unjust profits should be exposed and thereby interfered with, the Government might not be condemned for the service to the public.

"In my own opinion, the genesis of the opposition to this American valuation principle of valuation lies in the fear of the discovery by the public of the favorite abiding-place of abnormal profits. Let him who shouts the doctrine that the American consumer is entitled to as low prices as those in other countries point out any instance wherein the American public has shared the advantage of cheaply imported commodities. Articles of merchandise may be purchased abroad at low prices and imported on an European valuation, but they are sold to consumers in this country on an American

(Continued on page 41.)

# Income In The United States

*First survey of its kind for a period of years in this country shows that labor, instead of being enslaved or handed out a mere modicum of industry's produce, has received nearly three-fourths of it*

Written especially for AMERICAN INDUSTRIES

By WALTER RENTON INGALLS

Author, "Wealth and Income of the American People"

IN recent years economists have directed themselves to exploration, study and research in a new field, which may be described as that of quantitative economics. This means the economic investigation of the things that can be measured arithmetically, statistically and otherwise, the attempt to make such measurements and the determination of laws from the facts that are established as existing. There are exponents of this school who would banish the old scholastic disputations as endless and fruitless and start anew, with the thought that unless we can have definite, quantitative ideas it is better to have none at all.

But we must first get the facts and that is what is now in process. Abroad, Stamp, Bowley, Keynes, Cassel and others have already done noteworthy work in this direction. In America, King, Friday, Anderson and a few others have been bold and stimulating pioneers. The molding of thought on the new lines may be attributed especially to the war, for although the latter developed an outburst of emotional economics and produced a great mess of nonsense it opened the eyes of many men not only to the need for scientific investigation, but also to the proper ways of entering upon it; and furthermore it convinced many men in commerce and industry of the importance of giving their assistance.

## Incomes of Nations

Manifestly a fundamental investigation relates to the incomes of nations—what they amount to, how they are divided and what is done with them. The National Bureau of Economic Research having been organized in 1920 to function as a fact-finder in the field of quantitative economics naturally selected income in the United States as its first subject. Its findings have been reported in a little book under this title recently published by Harcourt, Brace & Co. (New York).

The Bureau itself is limited to the establishment and statement of facts. Its control is vested in a board of 19 directors, who represent all the im-

## LABOR'S REWARD IN INDUSTRY

"Instead of labor being enslaved or being handed out a mere modicum of the produce of industry it has in fact received normally somewhere from two-thirds to three-fourths of the total, according to the Bureau's figures, which in my judgment are too low, if anything."—Walter Renton Ingalls.

portant viewpoints from which economic problems may be regarded, wherefore the impartiality of its findings is insured. For the same reason the Bureau itself is precluded from offering any interpretations of the facts it has found. That becomes a function of the individual economist, who may analyze the facts, recast them, and interpret them in such way as they may look to him.

Having been requested by AMERICAN INDUSTRIES to present such an interpretation I shall draw extensively from my own work on the "Wealth and Income of the American People," soon to be published by the G. H. Merlin Company (York, Penn.), which is a broad survey of American economic and industrial affairs and in which important use of the Bureau's data has been made.

The basic feature of the Bureau's report is its estimate of the gross national income. Heretofore there have been estimates by various authorities for single years, but these have been founded on inadequate data and in many cases have been quite wild. Dr. B. M. Anderson, Jr., reporting annually in the *Annalist*, undertook to estimate the national income annually by a rough but ingenious method. It appears now that his results were very good up to 1916, when the distortion in the world's economic affairs began to vitiate his factors and with following years the errors resulting from them became more and more.

The National Bureau of Economic Research is the first to make an estimate of the national income over a series of years on the basis of concrete data, with careful and conscientious study of it. There were two methods open that would lead to the desired result, one being an estimation on the basis of incomes received (for which the Federal income tax returns supplied much new material) and the other was an estimation on the basis of commodities produced, for which the reports of the Department of Agriculture and the Geological Survey furnished a large part of the elemental figures.

A part of the Bureau's staff approached the problem in one way and a part in the other, and after each had arrived at their results they were compared, studied and discussed, and finally a mean figure was agreed upon as being the most probable. In this way was determined a set of annual figures, which are not claimed to be precise, but which are believed to be within the limit of ten per cent, plus or minus, and bring this within what is considered by statisticians to be the highest class of statistical work of this nature. I have had previous experience in this same field. As one of the directors of the Bureau I was moreover in close touch with its work while it was going on.

## Measured in Dollars and Goods

It is my own conviction that the Bureau's figures are correct within the limit of ten per cent, plus or minus, and I lean toward the opinion that the latitude of error may not be more than five per cent. The final estimates of the Bureau for the aggregate income of the American people from 1909 to 1918, both years inclusive, expressed in terms of billions of dollars, is as follows:

Year	Amount	Year	Amount
1909	28.8	1914	33.2
1910	31.4	1915	36.0
1911	31.2	1916	45.4
1912	33.0	1917	53.9
1913	34.4	1918	61.0

The above estimates represent the income as it was in terms of dollars,

which after 1914 became annually more and more exaggerated by virtue of the rise in prices. The income in goods, which is the real measure of national prosperity, was obviously quite a different thing. If a man were able to produce all of the goods required by his family and if in one year he produced the same quantity as in the previous year, the fact that certain conditions had caused the goods that had been measured at \$2,000 in the first year to be measured at \$4,000 in the second year would not cause the man to be any better off. Stated in this simple way no one would be under any illusion. Amid the complexities of our civilization so simple a statement can not be made, but nevertheless the same principle prevails.

The Bureau has tried to present in this light a record of what has happened during recent years by computing what the national income would have been if conditions had remained substantially as they were in 1913. This is in fact a computation of the volume of physical production expressed in terms of the dollar of 1913. The computation of the Bureau in this way is as follows:

Year	Amount	Year	Amount
1909	30.1	1914	33.0
1910	32.2	1915	35.2
1911	31.7	1916	40.7
1912	33.2	1917	40.8
1913	34.4	1918	38.8

Comparison of the second table with the first shows that the apparently great increase in the national income after 1914 was illusory, being in fact the result mainly of marking up prices without there being any increase of the same order in the quantity of goods produced, which is the only thing that promotes our scale of living, our savings for the future, or both.

#### Increase of Population

The computations of the Bureau on this latter phase of the subject are less definite than are those upon the first phase. Indeed the Bureau offers the second phase but tentatively and as a generalized indication of what happened. As such there can be no question whatsoever as to the accuracy of the representation in principle. My own investigations in the same field have led me to the idea that the increase in national gross income is to be attributed to inflation even more than the Bureau estimates, and per contra the increase in physical production was even less. Here it should be noted in passing that all of these figures should be correlated with the figures for population. All other conditions remaining unchanged there ought normally to be an increase in

physical production corresponding substantially with increase in population. In fact the population of the United States increased from 99,190,000 at the middle of 1914 to 104,180,000 at the middle of 1918. The effects of the withdrawal of workers for military service and the drafting into employment of the women and slackers among the men need not be entered into here.

The next important thing in the Bureau's report is its study and analysis of the distribution of income. It is efforts of this kind that are endowing quantitative economics with a human interest and are obliterating the old characterization of economics as "the dismal science."

#### Net Value Product

The Bureau has presented the following table showing the division of combined net value product of mines, factories, and land transportation between (1) earnings of employes and (2) returns for management and the use of property in the period 1909-1918. "Wages and salaries" includes all pensions, compensation for accidents, and the like. "Management and property" includes rentals, royalties, interest, and dividends. "Net value product" does not include raw materials, supplies, and services received from other industries.

Millions of Dollars		Percentages	
Wages and Salaries	Management and Property	Wages and Salaries	Management and Property
	1909		
\$ 6,481	\$2,950	68.7	31.3
	1910		
7,156	3,250	68.8	31.2
	1911		
7,287	2,791	72.3	27.7
	1912		
7,993	3,169	71.6	28.4
	1913		
8,651	3,359	72.0	28.0
	1914		
7,947	2,816	73.8	26.2
	1915		
8,722	3,470	71.5	28.5
	1916		
11,630	5,810	66.7	33.3
	1917		
14,375	6,502	68.9	31.1
	1918		
17,472	5,124	77.3	22.7

The estimates of the Bureau on this subject, covering a series of ten years, indicate a very important thing. Of the net value product of mines, factories and land transportation, the wage earners in the period 1909-15 received from 68.7 per cent to 73.8 per cent. In 1916 their proportion fell to 66.7 per cent. The explanation of the drop in that year is simple. It was the year of rapidly rising prices, and the value of the goods produced

outstripped the advances in wages. Beginning with 1917 the share gained by labor became larger. In 1918 it rose to the previously unequalled figure of 77.3 per cent. In 1919 it was probably about 80 per cent and in 1920 even higher.

#### Per Capita National Income

The national income on a per capita basis was as follows:

Year	Amount	Year	Amount
1909	\$319	1914	\$335
1910	340	1915	358
1911	333	1916	446
1912	346	1917	523
1913	354	1918	586

To arrive at the average income per worker multiply the above figures by two and one-half, and per family multiply by four and the results will be near enough.

I need go no further in statistical presentation, for the lessons are definitely told by the few figures that I have given.

Instead of labor being enslaved or being handed out a mere modicum of the produce of industry it has in fact received normally somewhere from two-thirds to three-fourths of the total, according to the Bureau's figures, which in my judgment are too low if anything. In recent years the percentage accruing to labor is shown positively to have been increasing. This has been partly a consequence of drawing wages out of our national principal, or capital fund; and partly a consequence of what is substantially a confiscation of the earnings of other people; which is perhaps saying the same thing in two ways.

Even under normal (pre-war) conditions labor not only got all that it earned, but also a good deal of what other people earned. Inroads into the normal share of other people may be made, even progressively, for a while, as the investigations of the National Bureau of Economic Research show to have been the case during the war, but this cannot continue indefinitely.

#### When Labor is Better Off

Labor *en masse* has the power to confiscate, but the exercise of that power is of no permanent advantage—indeed it is really detrimental to its own interest—for it causes the national savings to shrink and then the national gross income to shrivel, which is more to the loss of labor than to anybody else. In the end labor will find that it is better off with 70 per cent of a large income than with 90 per cent of a small one.

This is, of course, precisely one of the things that is being learned now, although the labor leaders do not

(Continued on page 24.)



# New Job For The Federal Reserve

*Has reached a turning point in its eventful history and upon the course it pursues in the future will depend, in a large measure, many policies of American industrial and commercial enterprises*

*Written especially for AMERICAN INDUSTRIES*

**By HOMER JOSEPH DODGE**

**Editor, Federal Trade Information Service**

**T**HE Federal Reserve System has reached a new turning point in its eventful history and upon the course it pursues will depend many policies of American industrial and commercial enterprises. The System has lived through many vicissitudes, stirring occurrences following upon each other in bewildering succession. The twelve Federal Reserve Banks, representing a radical departure in American banking, were opened on November 16, 1914. This inception may be compared to the birth of a child in the midst of a riot. The European War was well started. Financial movements, both public and private, had commenced on a scale of a magnitude never dreamed before. No man could foretell where these movements would lead.

The American stock exchange had been closed to prevent disorder in the investment market. The exchange buried its head in the sand and the plan worked. When it looked up again the world had not come to an end and business was resumed, but on a new scale. The European Governments had begun their great war borrowings. The American Government was framing an emergency revenue law. Holders of American securities abroad were selling them here to the extent of billions.

## Through Trying Times

The Federal Reserve Act, conceived and passed in studious and quiet surroundings, became effective in the midst of these events. It was intended to act as a balance wheel and an anchor for national finance, but that its functions would be called upon on the instant of its commencement to cope with the most extreme case believed possible, scarcely had been expected. A fair amount of practice was no more than a reasonable desideratum. Under the circumstances this was impossible and the new banking system had to seize the reins of finance before its stationery was printed.

Every business man knows the trying financial times which were passed through. The series of war loans was handled very largely by the Federal Reserve Banks, acting in their capac-

ity as fiscal agents of the United States. The vast volume of credit expansion which attended the industrial boom evoked by the war orders, both foreign and domestic, was granted with the aid of the Federal Reserve Banks. In addition to the regular Liberty Bond floatations, the short-dated Treasury certificates of indebtedness were placed practically exclusively through the Federal Reserve Banks. With the Armistice came the great drive for foreign trade on the part of American manufacturers and exporters stimulated by a hunger abroad for American goods. To be sure there was little money with which to pay for American goods but credits were established. Again, the Federal Reserve Banks were made the wheel horses in carrying this load. Bankers acceptances to the extent of many hundreds of millions were carried by them to facilitate the expansion of foreign trade.

The next chapter in this lively history was the most intense and dramatic of all. I refer to the period of price recession beginning in the spring of 1920. The Federal Reserve Board for a year had been giving warning to the commercial community that a change must take place in the credit policies then being pursued. It was not heeded. Consequently, when the price recession came, much business was found unprepared. The decline of prices found many merchants with shelves loaded with high-priced goods. It found the farmers carrying high-priced lands on mortgages. The inevitable result was a demand for money wholly unprecedented in the story of American finance.

## Borrowed for Expansions

It must be remembered that the industries and merchants already were heavy borrowers. Blind to the coming change, they had borrowed to increase stocks and expand in many ways. Plant extensions and various other forms of industrial expansion were taking place, financed with bank funds. When the change came, there was a rush to protect these over-extensions. More and more money was wanted. Manufacturers needed money to com-

plete orders. Merchants wanted money to carry stocks until they could be liquidated at a profit. Farmers sought money to enable them to hold their crops until prices came up again. Everybody wanted money. The strain on the banks was more intense than it ever had been in any boom period or panic year in the previous history of American banking. This strain was communicated to the Federal Reserve Banks.

These banks were accused of curtailing credits. Reference to the figures will show quite the reverse. They continued extensions to assist in protecting the business community up to the very last limit of safety.

## Banks Sat Tight

There was a loud outcry because these banks did not go further. The reason was they could not go further. In every previous panic or period of money stringency in the United States, banks could lend down below their reserve requirements with comparative safety. In those days it always was possible to recoup reserves by selling finance bills in London, Paris, Vienna and any other place where gold was to be had. Now there was a different situation. Not only was it impossible to obtain any assistance from abroad; the Federal Reserve Banks had to assist Europe as well as the United States. The plain fact was that the Federal Reserve Banks were the only solvent banks in the world. For them to have tossed reserve requirements to the winds would have meant a worldwide abandonment of bank solvency. The Federal Reserve Banks would have been broken. In all probability the gold standard itself would have been seriously imperilled.

The Federal Reserve Banks sat tight and refused to discount paper to an extent which would tear the reserves down below the danger point. These were feverish days when every Federal Reserve System official was the target of abuse from every quarter. They remained unmoved and saved the solvency of the American banking situation. Then the tide turned and liquidation set in.

Slowly, but steadily, the reserves began to climb. Concomitantly, bank rates which had been up to a 7 per cent level began slowly to decline. To-day they are below the world average of bank rates and money is easier than it has been for a decade.

This brings the eventful history of the Federal Reserve System up-to-date and to a point where it seems likely that a new change in policy involving developments of the utmost importance seems imminent. The consolidated reserve of the whole System is above 70. To be sure the vast net imports of gold of the last year have contributed to the recuperation of the reserves as well as the liquidation. Liquidation is by no means complete for were it not for the gold imports which have strengthened the reserve, mere liquidation would have brought the reserves no higher than some point between 55 and 60. Still such a reserve is a safe one indicating a surplus of loanable funds, an ease of money.

In times of business depression such as that of the last year, money accumulates because of the hesitancy of business. Few new enterprises are being set on foot; few old ones are forging ahead to new expansion. True the total volume of both foreign and domestic trade is, if anything, greater than the pre-war volume. The country is busier and more prosperous in many ways than in 1913 but the contrast of the war boom days throws this fact under a shadow. Too many business men who talked during the last year about a return to normal had in mind the volume of business of 1918 and 1919 as the equivalent of normal. This, of course, could not be true. Nineteen thirteen would be nearer. Taking this measure, everything, save farm products, is on a super-normal scale.

#### The Proper Normal Level

The American people, however, will not be satisfied with normal. They must achieve a continuous rapid progress or be discontented. Wherefore, to find normal, one must take a conjectural amount of progress and add it to the 1913 figures. Such a calculation would bring a result falling under the tremendous boom level of 1918 and 1919 but probably somewhat in advance of our present industrial and commercial position.

The immediate problem, therefore, is to find some means to recapture a proper normal and to employ the reservoir of funds in the vaults of the Federal Reserve Banks.

The theory of the Federal Reserve System would not be violated if the accumulation of funds was permitted to rest idle. The System was designed as a reserve system in word and deed. Had it been set in operation in a nor-

mal period rather than in a time of the most intense excitement and financial activity, it is doubtful if its latent powers would have been discovered for many years, perhaps generations. Indeed a war was necessary to put the System to the supreme test which it has stood so well.

Therefore, the theory of the System would not be violated if the funds were permitted merely to lie in reserve awaiting some new catastrophe bringing a period of credit strain. The capital held by this System of banks, in theory, merely is a trust fund to be called upon only in time of emergency.

But it is not a part of the American temperament to permit to lie in idleness an implement which has been found useful. Even fire engines are taken out frequently for exercise and practice and for such calm pursuits as the washing of streets and buildings. The guns of the army, little and big, are fired in target practice, more than in war.

#### Foreign Trade and Surplus

So it seems improbable that the American business community is going to be content to leave unused a facility which has been found to be of such great value in fostering industry and commerce.

It generally is recognized that one of the most tenacious hindrances to the resumption of active business in the United States is the dormancy of foreign trade. Although foreign trade represents about one-twentieth part of the domestic trade of the country, still to have this interfered with disturbs that nice adjustment of the economic status sufficiently to embarrass the remaining greater bulk of the domestic trade. Taken in a large, national economic sense the proceeds of foreign trade represent the profits of surplus. A business can continue to run if it recovers its costs even though no profits accrue. But incentive is lost and morale impaired. So it is with foreign trade. When the sale to strangers of this surplus of our goods in return for which we receive coveted far fetched things is interfered with, we are inclined to feel that we merely are turning over our domestic goods and getting no profits from outside.

However that may be, it is almost universally agreed that our foreign trade must be stimulated to bring the fullest measure of prosperity back to domestic industry. Now the problem is, how can Europe or any other part of the world buy from us with exchange rates in their present deranged state and with credit standing at such low ebb? Europe's industries are producing in spots but the great normal output has not yet returned, therefore she does not have the wealth with which

to purchase from us. She needs credit. But she already has had so much credit that the exchange rates aggravate the difficulty. To liquidate her enormous trade balances owing to us, she has of necessity shipped us great quantities of her gold. Her own coffers are so empty of gold that the relation her present holdings bear to her currency issues is frivolous. Still she must buy more from us if we are to prosper.

#### Gold Loan to Europe

The event which this situation seems to be leading up to is the making of a great gold loan to European countries by American interests.

Twenty men agreed among themselves to use gold—a thing in itself of no humanitarian value—as a token medium of exchange, as a convenience in counting. Because of unusual circumstances this gold ultimately all passed into the hands of one of these twenty men. The others had no more. The result was that they concluded that gold, being actually a thing of no value because it could not be eaten or worn and therefore merely was a token for convenient use, they would abandon it, especially since they had no more. The twentieth man found himself with a great stock of an inedible, clumsy metal which was beautiful only by consent, inasmuch as it actually hurt the eyes with its glitter.

This might be considered an extreme parable when related to the gold standard among nations, but some economists are coming to the conclusion that it is not wholly chimerical. Bimetallism is not a new idea. It has had many advocates. Other coins have been used. Even coins of porcelain are in circulation in some countries to-day. The value of gold is fixed by common consent. Its value is fictitious. As children in a nursery play a game of pretending that the fireplace is a bear's den, so the nations of the world have for many centuries pretended that gold is a thing of value. Yet there is a tale of a man who starved to death on a mountain of gold and the legend of King Midas.

It would take a long stretch of the imagination to visualize the abandonment of the gold standard, but so did it take a long stretch of the imagination to visualize the sixty-mile gun that bombarded Paris. Excepting for this difference, it is easily understandable that abandonment of the gold standard could be accomplished overnight by general agreement while ordnance experts throughout the world said a sixty-mile range for a cannon was downright impossible physically.

The United States is not so very far from the position of the man who has all the gold. We have more gold than any other nation or group of nations.

# War Department Standards

We have more gold than any nation ever had before in the history of the world. It continues to come in an ever accelerating stream. The new production of South Africa is coming here almost directly. The production of our native mines is but a handful compared with what every ship from Europe conjures up out of its hold. And all the time, every pound of gold which comes in is depriving American industries and exporters of an equivalent amount of sales in the markets of the world.

The idea which must be studied carefully by manufacturers and merchants is one involving the making of a great gold loan to European prospective purchasers which will result in a temporary redivision of the medium of exchange giving everyone a fresh start. Such a loan probably would bear little or no interest. The gold in the Federal Reserve Bank vaults is paying no interest to anyone. True, interest would be paid on the advance which it would secure if rediscounting were active. But rediscounting is not active and shows no signs of being so for a long time.

This plan would put the idle gold to work in a manner which would rebound to the benefit of American industries in that it would rehabilitate European credits, correct foreign exchanges measurably and place the debtor nations in a position to begin the repayment of their debts to this country. The plan would furnish a use for the great reservoir of gold held by the Federal Reserve Banks.

Of course, no one will assume that an amount of gold large enough embarrassingly to deplete the American stock would be lent abroad. The stock held is so large that a great sum could be lent abroad and a great sum held here. With what remains, it would seem the part of wisdom for the banks to make use of this basis of credit in encouraging a reasonable amount of expansion rather than holding too securely to the theory of the Federal Reserve System and merely waiting for strain to come before the Federal Reserve Banks are used at all. This done, the European rehabilitation and the domestic return to prosperity would develop side by side with reciprocal benefit to each.

The one big point to have in mind in a consideration of this problem is that it is far better to lend gold than goods. With goods a nation is rich. With gold alone it is poor. When goods are sold to foreign countries on long term credit, we are lending goods, consumable articles of value. When gold is lent, we are no poorer and yet place the foreign countries in a position to make goods with which to trade with us.

**T**HE Secretary of War has directed that:

"The Supply Branches of the Army utilize in connection with their specifications the standards that have been or may be adopted by the American Engineering Standards Committee."

This is part of a general policy of the War Department to coördinate its whole supply system with the best commercial practice, and to support a national program of engineering and industrial standardization, said Colonel George S. Gibbs, of the General Staff, in a recent address before the American Mining Congress on "Standardization and National Defense," given by special authorization of the Secretary of War.

"The essential needs of defense are men and supplies, or personnel and material," said Colonel Gibbs. "The men must be trained and have the will to win. The supplies must be suitable for their uses and adequate in quantity. That is where standardization comes in. It represents the difference on the one hand, between being able to get the needed quantities of uniform articles of tested usability, and on the other hand, of being restricted and harrassed by a hodge-podge of varieties, the usable quantities of which are always insufficient.

"The importance of standardization of war supplies cannot be exaggerated. In these days war involves the united effort of an entire nation and the combined employment of all of its principal industries. How is it possible to harmonize the use of thousands of articles to a common end except by the adoption of a far-reaching and effective program of standardization?"

"Colonel Wainwright, Assistant Secretary of War, is an enthusiastic supporter of such a program of standardization," said Colonel Gibbs.

Congress recently provided that he "shall be charged with the supervision of the procurement of all military supplies and other business of the War Department pertaining thereto."

"Thus the business features of military supply are grouped under one supervising head.

"The military features are worked out by the General Staff. They include what articles are needed, the quantities required, when they are needed, and where they are to be delivered.

"It requires no imagination to see how tremendously both the business and military interests of the War Department can be assisted by standardization.

"All the agencies described are

keenly alive to it, and it may be safely predicted that business firms dealing with the War Department will find a steady and gratifying improvement in the clearness and simplicity of its requirements. The principle of standardization is likewise being extended to its business methods—particularly to forms of contracts."

There are seven Supply Branches of the Army, the Quartermaster Corps, which purchases all general supplies of a commercial character, Ordnance Department, Medical Department, Corps of Engineers, Signal Corps, Chemical Warfare Service, and Air Service. As outlined by Colonel Gibbs, the arrangement for determining types of supplies and specifications for them is as follows:

"First. The users, the troops themselves as represented by the chiefs of the several arms, make known what they want. Conflicting views are co-ordinated by the General Staff.

"Second. The chief of the supply branch responsible for procuring that class of article has the research and engineering work done and samples prepared. The type receives final approval by the Secretary of War and the article is prescribed in equipment tables.

"Each such branch has a technical committee charged with preparing and carrying out a definite program of preparing specifications of all articles procured by that branch. This is a task that will take years to complete."

## WESTERN CONDITIONS BETTER

C. W. Rowley, of Winnipeg, western superintendent of the Canadian Bank of Commerce, after a trip through the West, says: "I am satisfied things are on a much better basis than for years. The bright spot is realization by all that they must get back to economic and biblical fundamentals, and they are doing it.

"Just as we heard of the hardships of the early pioneers, what we are now going through will soon be but a memory to relate to our children. What the pioneers did when carts provided the only land transportation and all the other aids of human effort were on a similar scale, we can surely more easily do."

## CHICAGO'S BEST COMMERCE

Chicago's lake borne commerce exceeded in 1921 the records of twenty years, when 78,378,979 bushels of corn were shipped to foreign markets.

Raw silk led all imports, with gum chicle second. Imports of the chicle were valued at \$2,531,882.

# Honors Founder Of Interurban

*Electric Railway Association will hold a meeting in Indianapolis in tribute to Charles L. Henry, a Hoosier Congressman, who, way back in 1897, built the first electric rail line between two cities*

**W**AY back yonder in the fall of 1897, Charles L. Henry, an Indiana Congressman, built eleven miles of electric railway track between Anderson and Alexandria, Ind., and commenced the operation of it with a city car on January 1, 1898. He dubbed it an interurban line, and thus started the modern interurban industry of the United States, totalling to-day some 18,000 miles.

Partly in honor of Mr. Henry, the annual mid-year meeting of the American Electric Railway Association, embracing some 800 electric railways, will be held in Indianapolis, Ind., his home city, on February 28. The future of the interurban will be one of the main subjects discussed at the meeting.

Indianapolis is considered one of the greatest interurban centers in the United States, and also the home of leaders in the industry. Robert I. Todd, president of the American Electric Railway Association, resides in Indianapolis, and is the head of the local lines. Other widely known electric railway men in Indianapolis and vicinity include Harry Reid, president, Interstate Public Service Company, and Arthur W. Brady, president, Union Traction Company of Indiana. The feature of the meeting will be the running of half a dozen special interurban trains from adjoining states to Indianapolis.

## Father of the Interurban

Mr. Henry is known as "the father of the Interurban," because he coined the name of "interurban" and pioneered its development. At the time he built the line from Anderson to Alexandria there was already a line operating out of Cleveland, but it had attracted little attention.

"I got the idea for the name 'interurban,'" Mr. Henry recently said, "at the Chicago World's Fair. There was a small electric line running within the Fair Grounds there, known as 'intramural,' meaning 'within walls.' Therefore, when the thought of running an electric line between cities occurred to me, I simply switched the name to the Latin 'interurban,' meaning between cities."

When he started his line he already foresaw that the interurban would be a distinct development of its own and

would require much heavier roadway and equipment than ordinary city lines and that it would develop the handling of freight, but he was not able to foresee its rapid and very extraordinary development. He laid sixty-pound rails on the track, and while the first car operated was an ordinary city car, it was replaced as soon as they could be built by heavier specially built interurban cars, some of which are still in use on the lines of the Union Traction Company of Indiana. With a view to the necessities of the future, he secured a private right-of-way for the line in preference to building it along the highway.

## Difficulty Over Current

One of the most difficult problems which was faced in building his line was that of distributing electric power over the full eleven miles so that it would run cars. In those days no electric railway plants had been built except for the use of direct current from power houses. Alternating current for distribution on electric railway systems had not come into use. The result was that when the ordinary 1,000 volt direct current was turned into the line at Anderson, it would produce only 200 volts at Alexandria. This weakness was finally overcome by putting in a second generator, which he called a "booster," in the power house at Anderson, producing 1,200 volts there and making available 600 volts at Alexandria.

In some respects the operating of cars over the line was very crude, but in others the innovations started by Mr. Henry were so progressive that they still continue in use. The signal question was taken care of from switch to switch, but all orders were given by the despatcher to the motorman direct in his car by means of a drop line from the telephone wire. Ever since that time on all interurban roads orders have been dispatched by telephone and many steam roads now use this system.

The zone fare system was put in use on the line at the outset. The line was divided into three sections or zones and a five-cent fare was collected for each zone. At the start the road carried no freight, but it did at once carry the mail from Anderson to Alexandria.

The first car was crowded and the road from the start was popular with the public.

## Climbed Over Ten Railroads

Steam railroads, which later felt keenly the competition of the interurban, paid little attention to the interurban when it began operations. Mr. Henry found it somewhat difficult, however, to obtain coöperation when he wanted it, the steam roads declining to set cars with rails or poles for him and also refusing to permit him to cross their tracks. There was no right of eminent domain for him to take advantage of. Being a lawyer he knew that it was entirely legal for him to cross the tracks when he was building upon a public highway, and he, therefore, arranged the route for his road so as to have it on a public highway at every point where he wanted to cross the railroad tracks. There was no law in Indiana at the time specifically giving any one permission to build a rural line, but Mr. Henry discovered that the state law did permit city lines to extend their service into the country upon gaining permission of the county commissioners, and it was on this legal ground that he built this first line and afterward built a hundred miles more of interurban road. To-day, however, he says laughingly that he would not again attempt such a task surrounded by all the difficulties which had to be encountered and without the right of eminent domain.

Philip Matter of Marion, Ind., lent Mr. Henry the first \$100,000 with which to build this first interurban. This was all the money that was borrowed for that purpose, but soon after George F. McCullough, of Muncie, Ind., H. J. McGowan, of Indianapolis, and Randall Morgan, of Philadelphia were interested by Mr. Henry in the organization of the Union Traction Company of Indiana, and this group developed the present property of that name, including the line from Anderson to Alexandria. Gradually this line was extended from Alexandria to Elwood and Marion, and afterward the line from Muncie via Anderson to Indianapolis was constructed. That company now controls 455 miles of interurban lines in Indiana and in the

(Continued on page 44.)

# World's Greatest Water Supply

*A huge aqueduct which tunnels under mountains, rivers and bays, carries fifty billion gallons of water daily from the mountain streams to the people in New York City, in world's longest tube*

Written especially for AMERICAN INDUSTRIES

By F. EUGENE ACKERMAN

(Photos by Courtesy of the Board of Water Supply of New York City.)

THE motorist or pedestrian who follows the winding roads and sheltered paths that lead to the Catskill Mountains a hundred miles north of New York will find himself traversing a wild, rugged country, which suddenly transforms itself into a magnificent park, dotted with vast bodies of water. Huge fountains play the water in vari-colored streams high in the air, and a series of enormous masonry dams send it tumbling in cascades to hidden outlets.

This is the source of the water supply of New York City. It represents one of the greatest enterprises ever carried out by public or private organizations and it was accomplished at a tremendous cost in money, labor and

time. It brings to the farthest suburbs of the American metropolis a plentiful and never failing supply of soft, cool mountain stream water, that flows by force of gravity through 125 miles of aqueducts and subterranean passages, a large part of it blasted through solid rock.

The final step in the engineering feat which has transformed mountain tops into huge reservoirs, changed the course of streams and sent 500 millions of gallons of water daily, flowing from the ranges of the historic Catskill Mountains into the City of New York, is now being taken. This is the burrowing of a tunnel eighteen miles long under a range of mountains to carry the volume of water that will be

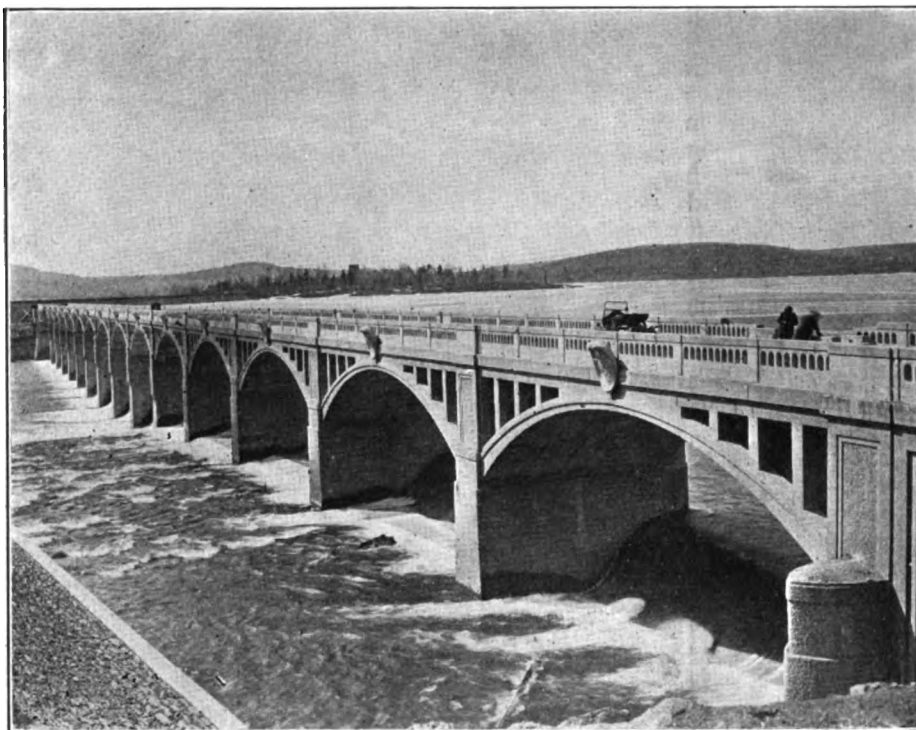
poured into an additional reserve reservoir. The tunnel will change the course of a mountain stream known as Schopharie Creek, which now flows northward. When the final work is completed Schopharie Creek will flow southward, adding to the supply of water which the population of New York of the future demand.

The stupendous task of bringing hundreds of millions of gallons of water from the high ranges of the Catskill Mountains to New York was begun in 1905, after nine years of acrimonious discussion on how to best meet the threatened water shortage which marked the growth of New York and the growth also of the territory to the north of the city from



Looks like the Panama Canal. Seventy-ton steam shovel at work





Ashokan Reservoir and Ashokan Bridge

which it had been drawing its water supply.

#### The Great Ashokan Reservoir Project

In 1917, the first phase of the project was completed and a group of engineers, journalists and other adventurous persons, celebrated the occasion by walking through the aqueduct from its beginning in the mountains to the various outlets which marked the passage of the great water tunnel through the heart of the city. It took several days to make this trip, the party emerging from the aqueduct at various times to rest and to sleep. It was only this trip, replete with accidents of a minor sort, that awakened one to the remarkable character of the enterprise. The water had to be brought through thriving cities and hamlets, traversing in its course, some of the wildest and most rugged country in the state. The Catskills, the Highlands of the Hudson and Westchester Hills, are all scarred with the odd-looking, grass-covered aqueduct, which winds a tortuous way toward the metropolis.

Once the water had been brought to the limits of the city, the engineers were faced with additional problems. The water had to be carried across the Narrows at Staten Island, a borough of the City of New York, and separated from the mainland by a mile or more of water, and also to the Borough of Queens, separated by an arm of the sea known as the East River. This problem was solved by laying a pipe line supported by a submerged bridge which was removed as

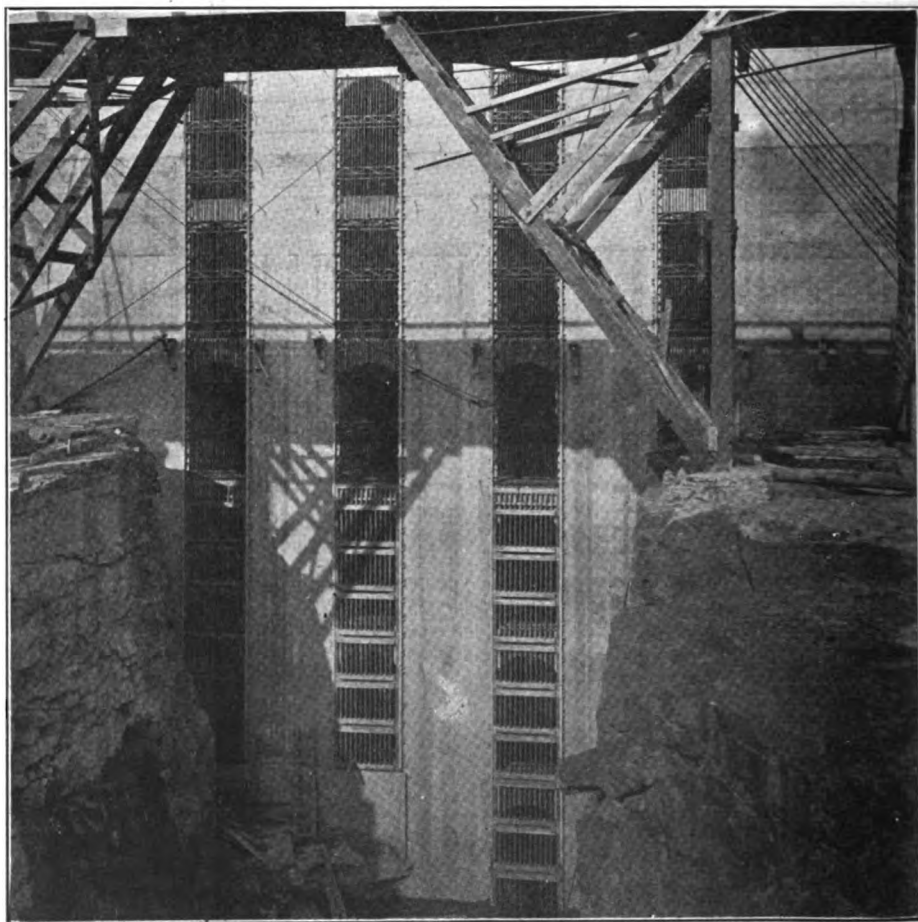
fast as the pipe line could be laid. This pipe line is of 36-inch flexible jointed cast iron pipe, and across the Narrows it is buried in a trench in the harbor bottom, which was dredged

out by a boat that immediately preceded the pipe line laying boat. After the water reaches Staten Island it is carried for a distance of 34 miles to a reservoir which holds the reserve water supply for that section.

One of the most remarkable features of the water system is the 34-mile solid rock tunnel which weaves its way from 200 to 750 feet beneath the surface of New York City. This tunnel is from 15 to 11 feet in diameter, the decreasing diameter insuring the flow of water by gravity and obviating the necessity for pumping stations. The waterway of the tunnel is lined throughout with cement concrete, and at intervals of some 4,000 feet apart there are down-take shafts from which the water pours into the regular city water mains.

#### The Water at Its Source

The eastern range of the Catskill Mountains contains two great watersheds, the Esopus and Schoharie. These watersheds collect the stream flow from the mountains of the sparsely populated areas which they embrace. In this section, the great rolling hills, heavily covered with trees, retain much of their primeval wildness and since their discovery they have been but little contaminated with human habitation, except for



The gate allows water to be taken from top, bottom or center level

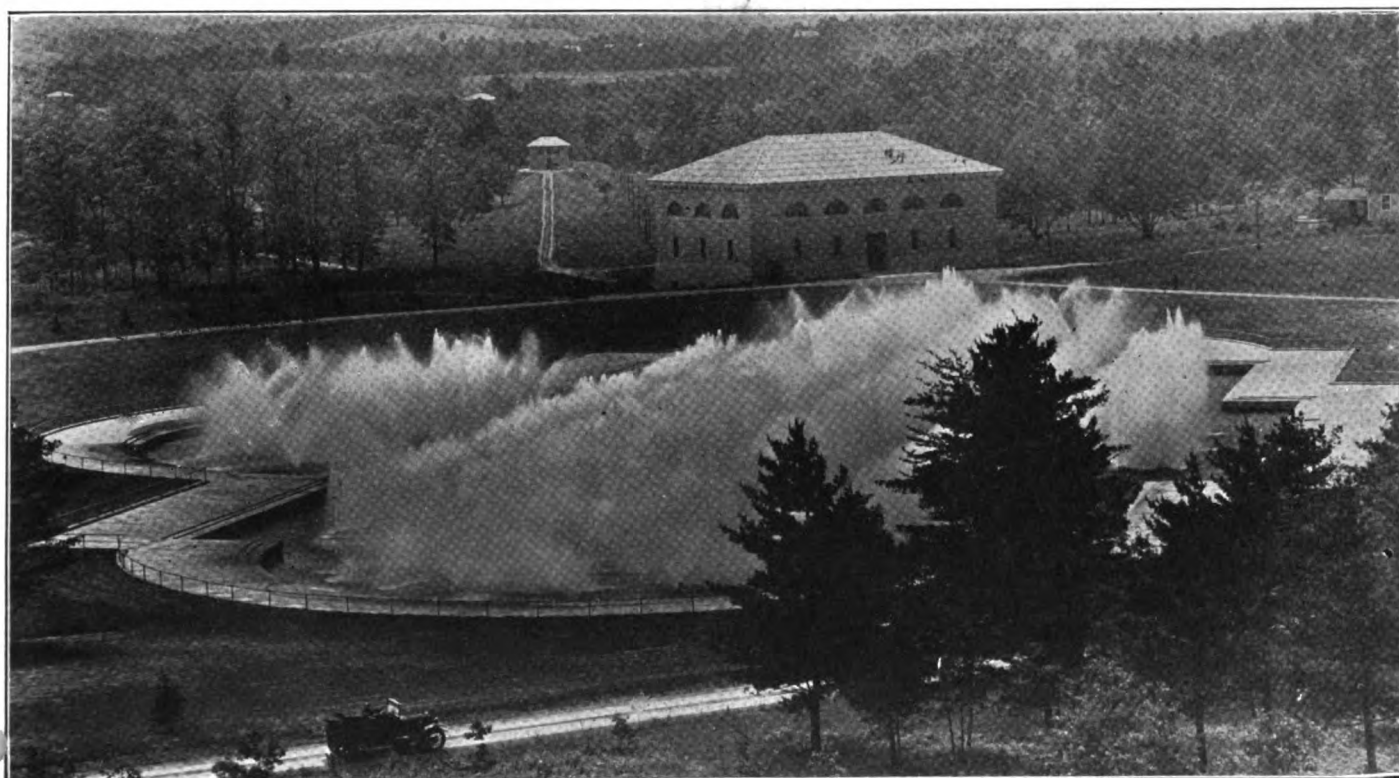
occasional hunters and trappers. The watershed of Esopus has an area of 257 square miles, while that of Schoharie has an area of 314 square miles, a total of 571 square miles, which insures, even during extraordinarily dry years, a daily supply in excess of 500 million gallons of water. The geology of the areas in which the water is drawn is sandstone and shale, insuring a water of unusual softness and purity. The main reservoir known as the Ashokan reservoir, has a water surface of 8,180 acres with a total capacity for 128 billion gallons of water. It has been formed through the construction of dams of masonry built across the stream known as Esopus Creek, into which empty numerous small mountain streams, and by erect-

ing five or six thousand each, were founded. These cities were equipped with all modern conveniences and comforts of civilization. They had their own sewage and water supply systems, their own electric light plants, and telephone systems. Banks were established, hospitals provided, churches built and special fire and police protection afforded. When the great reservoir was finally opened, all vestiges of these temporary cities had been so thoroughly removed that it was difficult to tell where they had been.

#### The Course of the Aqueduct

From the great Ashokan reservoir the aqueduct leads in a southerly direction toward New York City. It

a circular tunnel driven deep enough below the valley bed so that it will withstand the bursting pressure of the water. The most important of these valleys was that of the Hudson River where the tunnel was driven in granite rock at a depth of 1,114 feet below sea level. This is a 14-foot tunnel and extends from Storm King Mountain at the west bank of the river to the east bank of the river at Breakneck Mountain, a distance of 3,022 feet. Both of these mountains are peaks of the famous Hudson Highlands. Across smaller valleys or at places where rock was not available, pressure tunnels, riveted steel pipe encased in concrete and lined with cement mortar were laid in a trench just below the natural surface and



Purifying the water with air—376,000,000 gallons daily

ing earthen dikes or dams, to close the gaps between surrounding mountainous hills. This great reservoir is divided into two parts from either one of which water may be shut off if conditions demand it.

In constructing the reservoir it was necessary to clear the basin of trees, brush and all other objectionable matter. Forty miles of new highways were constructed around its edges and ten steel bridges, some of them having a total length of over 1,000 feet, were built. A railroad system which interfered with the reservoir was removed and rebuilt for a distance of eleven miles.

During the years in which the great project was under way various small cities, with total populations exceed-

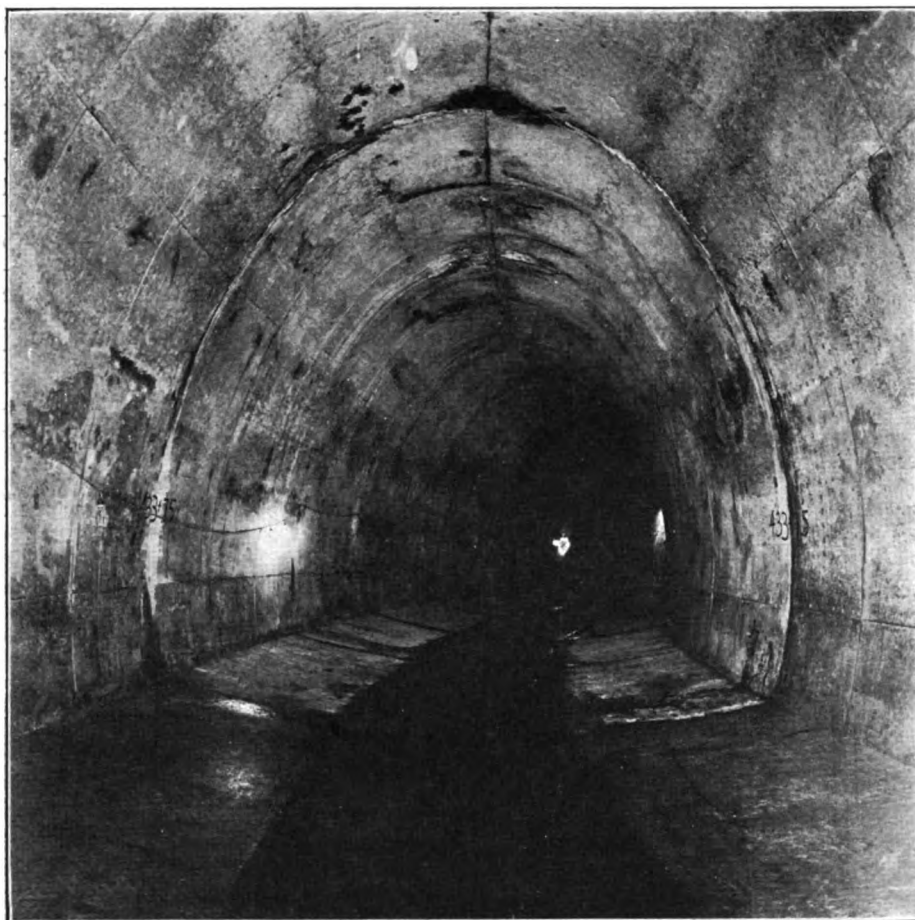
varies in construction according to the topography of the country through which it passes. For a distance of 55 miles through the Catskill Mountains country and down through the highlands of the Hudson River, the aqueduct is of the "cut and cover type." This type of aqueduct consists of excavating a trench in the bottom of which a floor or invert of concrete is placed. The floor, sidewalls and supporting arch are of concrete without steel reinforcement. The concrete was poured between steel forms, producing a horseshoe-shaped aqueduct.

Where hills or mountains were encountered, tunnels were driven and lined throughout with concrete. In the valleys the pressure tunnel type of aqueduct was used, consisting of

covered with a protective grass embankment of earth. The greatest in size of the aqueducts are of the "cut and cover type" and they are wide enough for two trains to pass each other in them with ease.

#### The Kensico Reservoir

Seventy-five miles south of the Ashokan Reservoir and thirty-five miles north of New York City is the Kensico Reservoir, which serves as a storage reservoir so that the flow from the Ashokan source to the city will not be interrupted in the event that the aqueduct is at any time out of service. This reservoir was formed by building a dam across the valley of the Bronx River, an unimportant but beautifully situated stream which flows north of



Tunnel through which the water comes to the city

New York City. This reservoir has a capacity of 29 billion gallons of water and an area of water surface in excess of 2,218 acres. The entire strip has a marginal protective surface around its circumference which has been parked for a distance of 500 feet.

The Kensico Dam which makes the reservoir, is regarded as one of the greatest masonry structures in the world. It contains approximately one million cubic yards of masonry, a third of the amount used by the Egyptians in building the pyramids. Its greatest height is 307 feet above its rock foundation. Only a small portion of the dam can be seen as two-thirds of it is buried beneath the water and the surface of the ground.

The water from the Ashokan reservoir enters the Kensico reservoir at its upper end and is drawn through a system of gates located in chambers about one mile north of the dam. Here provision is made for controlling the rate at which the water is drawn and for screening and sterilizing it with liquid chlorine. One of the charms of this magnificent park is the aeration basin in which the water is tossed vertically into the air at great heights through nearly 2,000 huge nozzles.

The final pause of the water des-

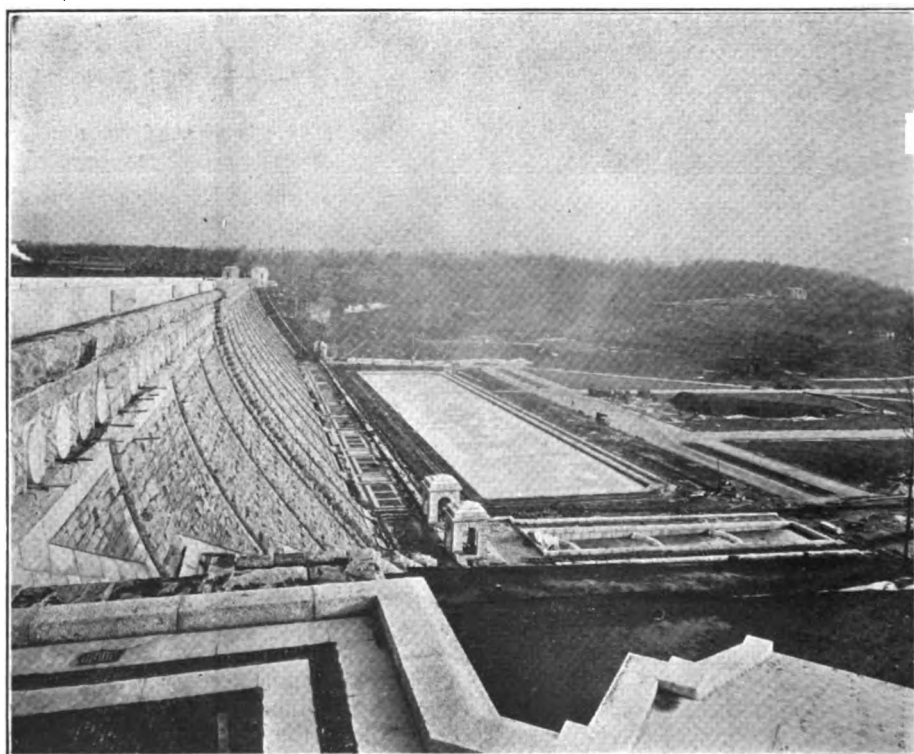
tined for use in New York is 15 miles north of the City of Yonkers. Here a huge artificial reservoir, lined with concrete and covering a surface area of 90 acres, holds constantly some 900

million gallons of water. The function of this reservoir is to equalize the difference between the steady flow of water from the Catskill Mountains and the varying demands of the city at different times of the day. This aqueduct, like those of Ashokan and Kensico, is divided into two parts so that either of the basins may be used.

#### The Final Step

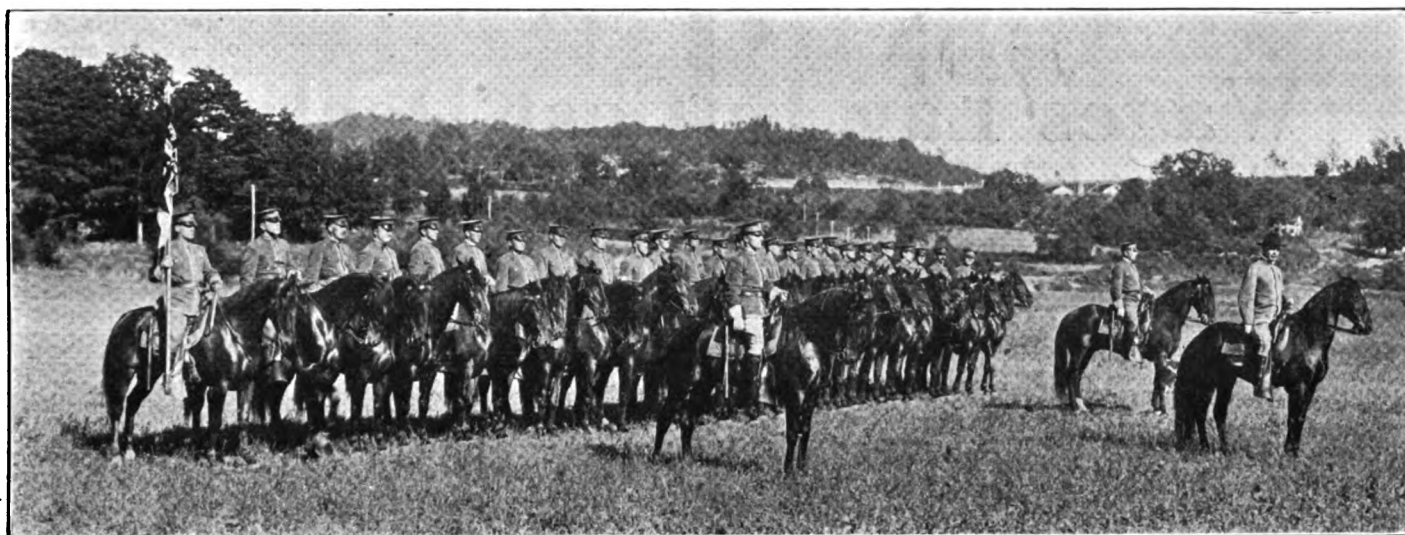
The construction of the Schoharie reservoir will complete the great water system of New York City and it is believed will provide it with a sufficient supply to meet its demands for the next fifty years—demands which are increasing at the rate of twenty million gallons daily. This reservoir will hold the water which now flows northward between two high mountain peaks. It will divert these streams and send them southward through a tunnel ten feet in diameter, and more than eighteen miles long. This tunnel, the largest ever attempted, bores directly under mountain ranges. The tremendous scope of the work may be understood in the following excerpt of an article that appeared in a recent edition of *Public Works*.

"The hydraulic gradient of the tunnel falls 4.0 feet per mile, and the tunnel follows this through the greater part of its length. In order, however, to keep it throughout in solid ledge rock, the first 18,000 feet is below the gradient and consequently under pressure. More than 150 borings were taken along the proposed line of the tunnel to determine the nature and depth of the rock below the ground



The Kensico Dam





The aqueduct police who patrol the water supply

surface. They showed the rock to be of sandstone and shale throughout the entire route of the tunnel, and in most places for several hundred feet above the tunnel gradient. Near the north end, however, the borings revealed a pre-glacial gorge crossing the line, and the drop in the tunnel grade referred to was made to provide a roof of solid rock above the tunnel, which roof is at least seventy or eighty feet thick at the lowest point of the gorge. This drop brings the tunnel about 135 feet below the hydraulic gradient:

"Near the south end the tunnel dips so as to bring its roof slightly below the hydraulic gradient, forming a 'running trap'; the object being to cut off access to the tunnel from the end and to prevent wind blowing into it.

"The rock strata throughout the entire length of the tunnel are apparently continuous, and dip downward toward the south at an angle of approximately five degrees with the horizontal, measured along the line of the tunnel.

"The gravity section of the tunnel is approximately horseshoe shape with a maximum horizontal diameter of ten feet three inches and a maximum vertical diameter of eleven feet six inches. Where below hydraulic gradient the shape of the tunnel is slightly modified by rounding the lower corners, producing a section considered to be a little stronger to resist internal pressure. On account of the horizontal stratification of the rock, the roof is made flatter than is generally found in horseshoe sections. The capacity of the tunnel is calculated at 600,000,000 gallons a day with a velocity of flow of 8.7 feet per second or 5.9 miles per hour.

The total storage capacity of the reservoirs of the Ashokan project is estimated at 177 billions of gallons. The result of this capacity is the storage of water for long periods before use, permitting sedimentation, bleach-

ing by the sun and sterilization through natural processes. The temperature, sedimentation and other aspects of the water are constantly examined and the gate houses are so arranged that the water drawn from the reservoirs into the aqueduct may be taken from any depth desired.

The temperature of the water during winter is fairly regular. During the coldest weather the temperature is as low as thirty-three degrees Fahrenheit. During the summer the water at the bottom of the reservoir reaches a temperature of sixty degrees, the surface water becoming much warmer. During the period of time that the water is circulating from the reservoir to the aqueduct the temperature is

static, and the journey from the Ashokan reservoir to the city, at the rate of three or four miles an hour takes one whole day.

During this long journey the water flows into deep grades and up stiff inclines all through the force of gravity. One of the most interesting of the twists of the aqueduct is at the point where it crosses the Hudson River. The problem of the carrying the shaft across this wide, deep river, swept by strong tides, and subject to severe weather, was a difficult one. Finally a tunnel was drilled on either side of the river at a sharp incline so that the two tunnels met in the center of the river, at a depth of 1,500 feet below the surface of the water.

## Outlook In West Africa

EXPORTERS in Manchester England, are reported to anticipate a revival of business when the new Government exports credit scheme comes into general operation.

The smaller men, particularly, were hard hit by the trade slump, and they see in the scheme a chance of getting their business back to more normal lines.

An English traveler recently in West Africa quoted by the London *Chronicle* to the effect that he expected the credit facilities offered would lead to an almost immediate revival of foreign trade in all markets included in the scheme, and this in turn would stimulate the cotton trade and other industries in Lancashire.

"The West African market, which is fairly representative of our smaller overseas trade centers, was very badly hit at the time the banks withdrew their credit facilities at the height of the

boom," he said. "I visited the area last September, and found an unprecedented state of affairs prevailing. The values of consignments which the banks were attempting to realize had slumped enormously. It was a common thing for £1,000 lots to be offered at as low a figure as £100. How firms like my own were affected by the slump may be gauged from the fact that, from a turnover of £100,000 in the West African market, it sank to one of less than £10,000. Even that small volume of trade has been carried on under extreme difficulties. The banks are, of course, doing a little more for us now, and with their assistance, and that of the Government scheme, I am hoping that we have seen the worst of our financial difficulties. There is now plenty of demand for goods; the difficulty is that of financing the trade, and this scheme offers us a wonderful chance, particularly as it is being freed from red-tape in every possible way.

# Wages Lag In Cost Declines

*Analysis of changes in wages and commodity prices and in living costs throughout the United States from 1914 down to 1922, shows that wages increased 134% over 1913 and living costs rose 116%*

*Written especially for AMERICAN INDUSTRIES*

By J. L. JACOBS  
of J. L. Jacobs & Company

**A**NALYSIS of changes in wages and commodity prices and in living costs throughout the United States for 1914, the beginning of the World War, and down to the end of 1921 shows that wage increases ran ahead of living costs in 1918, and that at the peak early in 1920, average wages had increased approximately 134 per cent over 1913, while the cost of living increase for the same period was about 116 per cent. Since then both living costs and commodity prices have declined much more rapidly than the wages of employed industrial workers. Thus comparing the present commodity price and living cost levels with those in 1913, the wage level of the average employed worker is relatively higher than the cost of living and price levels.

Digests of wage changes during 1921, made by this organization, cover reports from 1,026 establishments and industrial groups in practically every key industry in the country and show average wage reductions during the year 1921 of 16.1 per cent for over 5,000,000 workers.

## **Increase for all Workers**

The summary of the reports in various official documents and reliable periodicals from the 1,026 establishments and industries shows that approximately 4.7 per cent of the establishments reporting reduced wages 30 per cent or over; 8.6 per cent of the establishments reduced wages between 25 and 30 per cent; 24.2 per cent of the establishments reduced wages between 20 per cent and 24 per cent; 18.2 per cent of the total establishments reduced wages between 15 per cent and 19 per cent; 34.1 per cent of the total reduced wages between 10 per cent and 14 per cent; and the balance of 10.2 per cent made wage reductions of less than 10 per cent.

From 1913 up to the summer of 1920, the average hourly wages in the United States increased approximately 134 per cent for all American workers, while the cost of living rose slightly over 116 per cent during the

same period. Since the beginning of deflation early in 1920, the cost of living for the average industrial worker's family, as calculated by the United States Bureau of Labor Statistics and other agencies, has decreased approximately 20 per cent from the peak, while the average wages of over 5,000,000 employed workers have been reduced about 16.1 per cent. Thus at the close of 1921 the average worker's wages are approximately 86.3 per cent higher than the level of 1913, as compared with approximately 72.3 per cent higher cost of living level and only 50 per cent higher wholesale commodity price level at this time over 1913.

The sum total of these changes is that the employed American workers whose wages may have been reduced by any margin up to 20 per cent since the peak period about the middle of 1920, have in reality been given a raise, as under the lower cost of living level such reductions have not affected the standard of living of such workers.

The reports of wage reductions during 1921 by the 1,026 establishments and industries show average reductions of 25.5 per cent for the 200,000 workers in the meat packing industry, from 20 per cent to 24 per cent average reductions for about 340,000 workers in 69 cotton, woolen, and leather manufacturing establishments; 19.5 per cent reductions for mining employees; 19.2 per cent reductions for 433,800 workers in the iron and steel industry; 17.5 per cent to 20 in 39 boot and shoe manufacturing establishments; average reductions of 17 per cent for almost 500,000 building trades workers in 183 cities of the country; reduction of 16.7 per cent for 100,000 workers in men's ready-made clothing industry; 16.6 per cent reduction in 22 paper manufacturing establishments; 16.5 per cent reduction in wages of over 110,000 public employees in 58 cities; 16.2 per cent in 25 silk manufacturing plants; 14.8 per cent reduction of approximately 140,000 street railway and other utility employees in 161 cities; approximately 12½ per cent reductions for railroad and express employees and an average

16.4 per cent reduction for over 866,000 employees in miscellaneous establishments and industries.

## **Building Trades Reductions**

In the building trades, of the 183 reports from cities in which building trades workers received wage reductions, 8.2 per cent of the total reduced wages less than 10 per cent; 41.5 per cent of the total reduced wages between 10 per cent and 14 per cent; 12.0 per cent made reductions between 15 per cent and 19 per cent; 26.3 per cent of the total reduced wages from 20 per cent to 24 per cent and 12.0 reduced wages over 25 per cent.

The more important instances in which building trades wages have been reduced since the peak, include those of from 12½ per cent to 20 per cent in Seattle; 25 per cent in Fall River and in Danbury, Conn.; 24 per cent in Philadelphia; 10 per cent to 20 per cent in Newark, N. J., Omaha, Neb., Fort Wayne, Ind., and in Lynn Mass.; 10 per cent to 15 per cent in San Diego, Cal.; 14 per cent in Warren, Pa.; 15 to 20 per cent in Des Moines, Iowa; 20 per cent in Worcester, Mass., in Minneapolis and St. Paul, Minn., in Saginaw and Bay City, Mich., and in Memphis, Tenn.; 10 per cent to 16 2/3 per cent in Boston, Mass.; 10 per cent to 35 per cent in Pittsburgh, Pa.; 20 per cent to 25 per cent in Milwaukee, Wis., and in Toledo, Ohio; 7½ per cent in San Francisco, Cal.; from 10 per cent to 36 per cent in Chicago, Ill., through the important decision of Federal Judge Landis; 12½ to 20 per cent in New Orleans and in Dayton; 17 per cent in Cleveland; approximately 20 per cent in Detroit; the California metal trades, including some 25,000 workers were reduced 10 per cent; and 35,000 sheet and tin plate workers between Pittsburgh and St. Louis received a like reduction of 10 per cent. The county building trades of Westchester County, N. Y., which county includes the cities of Yonkers and Mount Vernon, arbitrated the wage adjustment and some 10,000 workers received a reduction of 11 per cent.



Iron and steel workers, both of the U. S. Steel Corporation and the independents, have in most cases received three reductions and the wages have been brought down to the level of May, 1917, the reductions being approximately from 30 per cent to 40 per cent from the peak.

#### Public Utilities Reductions

Among the public utilities, wage reductions reported show that of the 161 organizations, 35 reduced wages 5 per cent to 9 per cent; 57 reported reductions of from 10 per cent and 14 per cent; 31 from 15 per cent to 19 per cent; 26 from 20 per cent to 24 per cent; and 12 reduced wages over 25 per cent. Some of the larger street railways reporting reductions include those in the cities of New York, Philadelphia, Brooklyn, Boston, San Francisco, Detroit, Cleveland, Pittsburgh, Denver, Los Angeles, Seattle, Albany, Indianapolis, Buffalo, Milwaukee, Omaha, Topeka, Council Bluffs, Salt

Lake City, Mobila, Ala., Fort Wayne, Syracuse, N. Y., Newark, N. J., and other metropolitan New Jersey cities.

In boot and shoe manufacturing, the more important changes reported include a reduction of 22 per cent of the 15,000 workers of the W. H. McElwain Company; 20 per cent reduction approved by the New Hampshire State Board of Conciliation, for the F. M. Hoyt Shoe Company; reductions of from 10 per cent to 20 per cent in shoe manufacturing establishments in Milwaukee, Sheboygan, and Racine, Wisconsin; in Gardner and Springfield, Maine; in Worcester, Brookfield and Brockton, Mass.; Auburn and Lewiston, Maine; Endicott, New York; to shoe workers in Rochester, New York and certain groups of workers in Haverhill, Massachusetts.

A number of municipalities and state organizations made wage reductions from 5 per cent to 20 per cent,

these affecting particularly highway and street employes, firemen, policemen and some officials. The outstanding reduction was that in the Federal Government in which a reduction of from 10 per cent to 20 per cent was made for the 68,000 civilian workers of the United States Navy Department.

#### Large Group Reductions

Reports of wage reductions affecting large groups in the miscellaneous industries include a wage reduction of 28 per cent for 15,000 workers in sixty window glass manufacturing plants through the country, a reduction of from 18 per cent to 35 per cent, through mutual agreement, of the longshoremen along the Atlantic and Gulf ports, a reduction of approximately 15 per cent by the collar manufacturers, and reductions of from 3 per cent to 20 per cent of the printing employes in over 30 cities throughout the country.

# Wages, Transportation And Tariff

*John E. Edgerton, President of the National Association of Manufacturers, discussing three most important problems before the country, declares he believes the worst of the situation over*

**"T**HE three great problems—wages, transportation and tariff—which are our inheritance from the World War, must be solved before a condition of normalcy is returned in this country," declared John E. Edgerton, president of the National Association of Manufacturers, at a dinner of the Chattanooga Association a fortnight ago.

"I am optimistic as to present business conditions," continued the speaker. "However, in my optimism, I am not blind to the problems that confront us as a nation. I believe the worst is over, and that we are beginning to climb the hill to prosperity, the like of which the world has known in no age. It will not come in a day or a year. To return to normalcy one of the greatest things needed is faith, faith in ourselves, in mankind and in our country. The manufacturers of this country are, I regret to say, in a position in many cases of their own making. The situation they find themselves in is not through what they have done, but through what they have neglected to do. The manufacturers of this country have been too busy to do their full duty as citizens. As a class they have been scarce in presenting themselves

at the polls on election days. Through this neglect they have sown to the wind and are now reaping a whirlwind from Congress.

#### Need Faith and Courage

"We have just passed through the most tragic year in all human history. Men have been tested during the 1921 period as never before. The world has been a battlefield and the issues far greater than those bled and died for on the fields of a foreign nation.

"The great trouble with this country to-day is that, due to high war prices and wages, the people are unable to adjust themselves to present conditions. We cannot undo in a day what that period of unprecedented destruction built up. People must be brought to the position of sanity and safety through a period of evolution, but through faith and courage the result will be achieved.

"There are several things standing in the path of an immediate return to normalcy. Among these is the problem of transportation. We are apt to become impatient at the way this problem is being dealt with by Congress, but we must stop for a moment and consider the problem of the railroad itself. The railroads of this country

are hemmed in on all sides. On one hand is a rate-setting board, which determines their incomes. On the other hand is a wage board which determines their costs. They are stripped of independent action. At the same time they face an organization that in strength is second only to the Government itself. I refer to the brotherhoods. These brotherhoods, up to the present time, have shown but little disposition to accept their part in the general readjustment of this country. Consider the condition that would arise on the great rail systems of our country if for instance the Interstate Commerce Commission should reduce rates and at the same time operating costs were not reduced. The railroads are paying but small dividends and in the majority of instances they are not paying dividends. Such a move on the part of the Interstate Commerce Commission, unless accompanied with a similar reduction of costs, would result in only one thing, insolvency. Before normalcy is attained labor must get off the prosperity spree it is now on. War standards cannot be maintained.

"Another great problem that must be solved, and quickly, is that of the  
(Continued on page 24.)

# AMERICAN INDUSTRIES

D. M. EDWARDS, EDITOR AND MANAGER

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## GREATEST INTERNATIONAL CONVENTION

PRESIDENT HARDING'S Conference on the Limitation of Armaments, undoubtedly the greatest international conference of time, has finished its work. Some details are to be completed or adjusted; but the achievements that optimistic persons had hoped for and prayed for are today written into history. Great and vast as these achievements are in actualities, they are far greater and vaster in potentialities. They mirror the desires and demands of a world worn by war and sick of war.

The outstanding accomplishments of the conference, as officially revealed at the last plenary session, are:

The completion of a treaty by the United States, Great Britain, France, Japan and Italy limiting the size of their navies and putting an end to the race for superiority in naval armament.

The completion of a treaty forbidding the use of poison gas in warfare, and making it illegal in the eyes of international law for a submarine to attack and sink a merchant ship.

A tri-party agreement by the United States, Great Britain and Japan providing for the maintenance of the

status quo in Pacific fortifications within prescribed areas outside the homelands; this to eradicate suspicions and to create better feeling among the Powers.

Announcement of a complete settlement of the long standing controversy between China and Japan over Kaiou-chou in the Province of Shantung, under which Japan is to surrender the former German leasehold and China is to regain complete control of the territory and of the Shantung railroad.

Announcement by Great Britain, through Arthur J. Balfour, that she would return the port of Wei Hai Wei to China, in harmony with the retirement of Japan from Kaiou-chou.

An agreement to adhere to the time honored "open door" policy in China, the resolution providing for an international board of reference in China to settle disputed questions, and the abandonment of the policy of "spheres of influence" in China.

The adoption of a four Power compact in terms pledging the Powers to respect each other's territory in the Pacific and calling for a conference of nations when the peace of the Pacific region is threatened. This compact will abrogate the Anglo-Japanese alliance, when ratified.

A settlement made outside of, but in view of the conference, of the dispute between Japan and the United States over the Island of Yap, in accordance with the claims advanced by Secretary of State Hughes for cable rights in that island.

A formal pledge from Japan to withdraw from Siberia and from the northern portion of the Island of Sakhalin as soon as certain conditions have been realized. This pledge is regarded as fulfillment of the promise of moral trusteeship to Russia.

Practical abrogation of the "twenty-one demands" through adoption of the "open door" pledge relative to China and the settlement of the Shantung question.

## BUILDING UP DIPLOMATS

SECRETARY of State Hughes, in addressing a group of young men who had just entered the diplomatic service, said:

"I hope that all that has been done to improve the diplomatic service—to establish and maintain the best

standards of work in the service—is only a beginning of what we shall accomplish as we are forced into more and more important relations with other countries—as the intimacy of relation is increased—and I feel that the American people are so keen, so intelligent, so observant of their interests that it is only a question of time when the full dignity, worth and necessity of the diplomatic service—as those appreciate it who are intimately connected with it—will be recognized generally."

People in this country are now coming to a realization that the United States must have a diplomatic service commensurate with her power and influence in the world.

## PLAIN TALK FROM THE BENCH

MEMBERS of the International Longshoremen's Association who rebelled against its dictation during the harbor strike about a year ago and formed a new organization—the United Cargo Workers' Affiliation of Greater New York—received the full support of the law recently when Justice McAvoy in the Supreme Court announced that he was convinced that the original organization had used illegal methods to prevent members of the newer body from working on the waterfront and that he would sign an injunction restraining improper interference.

In the application for an injunction his attention was directed especially to a letter from an official of the international association which stated that "this office will not permit any one to work on the waterfront unless he is a bona fide member of our organization."

Justice McAvoy, in his memorandum, said:

"The forces of tyranny could go no further. It boldly announces a policy which if allowed to persist would spell destruction to individual right and condemn every one engaged in the calling to an unwilling servitude to a labor syndicalism quite as abhorrent as an oligarchic capitalism. The fettering and mopelson of the individual grasped at here is glaringly at variance with freedom in the pursuit of happiness guaranteed to all by the fundamental law of nation and state. The threatened intimidation, the assaults and the duress employed to induce abandonment of the seeking for work will be enjoined."

# Colonel Egan, N. A. M. Founder, Dies

By WILLIAM M. BENNEY

Manager, Foreign Trade Department, National Association of Manufacturers

COLONEL THOMAS P. EGAN, President of the J. A. Fay & Egan Company, died at Cincinnati January 10, 1922.

Colonel Egan was one of the founders of the National Association of Manufacturers. Twenty-five years after the beginning of the Association, Colonel Egan, in May, 1920, presided at a session of the annual convention of the Association which celebrated the quarter century of the Association's existence.

We quote from President Mason's testimony to Colonel Egan at that session:

"We are fortunate in being able to have present with us to-night a number of that remarkable group which assembled at Cincinnati in January, 1895, to form the National Association of Manufacturers of the United States of America. Particularly are we fortunate and gratified to have with us Col. Thomas P. Egan, the man to whose individual efforts as well as financial generosity is due the fact that Cincinnati became the birthplace of the National Association of Manufacturers.

## Organizing Chairman

"Mr. Egan was the chairman of the Cincinnati Committee which undertook the responsibility of calling a great national convention, and I know also that he contributed a large part of a very considerable sum of money which was pledged by the business men of Cincinnati in order to provide for the expenses of that convention. When the convention was called, Mr. Egan was elected chairman of the temporary organization, and later was elected permanent chairman, and then president of the convention."

Mr. Egan found employment in a machine shop when he was only sixteen years old. An accident resulting in the loss of an arm turned his attention to the selling side of the business, in which he was given opportunity to show his ability. Those familiar with

the business career of Mr. Egan are impressed with the fact that he was apparently a born organizer, developer

and salesman, three attributes rarely combined in one man; but which, when they are so combined, almost invariably lead to success.

In 1874 he began business on his own account in a small shop with two partners. Seven years later the Egan Company was incorporated, with Mr. Egan as its president. This enterprise was successful from the start and soon began to make a name for itself in the wood working machinery line. In 1893 Mr. Egan's company formed a consolidation with a rival, and the new corporation formed the J. A. Fay & Egan Co., whose products have become so favorably known not only in the United States but in foreign countries.

It is related of Col. Egan that at one time when he went to Cuba for his health he not only came back duly restored, but also with orders for one hundred thousand dollars worth of machinery, as a souvenir of his visit to our neighboring island.

## Active in Public Affairs

Colonel Egan, besides being a successful manufacturer and building up probably the largest establishment in his line in the world, took an active part in the public affairs of his city, being director of a bank, organizer of the Manufacturers Club of Cincinnati, and a member of other clubs, and at one time president of the Chamber of Commerce.

As a patriotic citizen, Colonel Egan also took great interest in the affairs of the nation, and while not seeking office for himself, his advice and influence were sought by the leaders of the political party with which he was so long identified.

Colonel Egan was seventy-four years old at the time of his death. Provision had long before been made by him for the carrying on of his business after his death by his three sons. Besides the sons, Colonel Egan is survived by his wife and four daughters.

At a meeting of the Board of Directors of the National Association of Manufacturers on January 20, the following resolutions were passed:

WHEREAS, Thomas P. Egan, of Cincinnati, the President of the Convention at which the National Association of Manufacturers was organized, died on January 10, 1922, at Cincinnati, and

WHEREAS, largely through Mr. Egan's enterprise, foresight and generosity the establishment of this great national organization at Cincinnati in 1895 was made possible, and

WHEREAS, Mr. Egan's interest in and support of this Association as a member, continued to the time of his death, be it

*Resolved*, That the Board of Directors of this Association at its meeting this 20th day of January, 1922, gratefully recognizes the valuable services which Mr. Egan rendered to this Association, and be it further

*Resolved*, That in Mr. Egan's death the Association has lost the services of a leader in manufacturing enterprises, a pioneer in foreign trade development and a broad minded co-operator in national affairs. Be it further

*Resolved*, That this Board extends its sincere sympathy to the widow and children of Mr. Egan and that these resolutions be spread upon the minutes of this Association and a copy thereof sent to the family of Mr. Egan.

## INCOME IN THE UNITED STATES

(Continued from page 10.)

know how to express it to their followers. But practically the principle is finding expression in the extensive unemployment of labor that began in the latter part of 1920 and still prevails. While this is attributable largely to the unbalancing of conditions, as shown by the Bureau, there is an important distortion that the Bureau's present report does not reflect. This is the attempt of certain large groups of workers—especially the railway men, building mechanics and coal miners—to maintain their position of 1918-20. Obviously that can be done only at the expense of other groups of town-workers and the farmers. The latter who have already fallen into a grievous situation are expressing themselves in demands for agrarian legislation, which will be a futile panacea for their ills. Their complaints should really be directed against the labor unions.

However, there are four fundamental things definitely established by the report of the National Bureau of Economic Research.

The first is that the great increase in the income of the American people from 1914 to 1918 was illusory, being not in goods but only in inflated dollars.

The second is that the national income is insufficient to afford all the people the scale of living that they are now claiming.

The third is that if the people have in fact been enjoying an enhanced scale of living it has been at the expense of the national capital fund, principal, wealth, savings, or whatever it be pleased to call it.

And the fourth is that the division of income between workers and management (plus property) has swung abnormally in favor of the former.

I may add to the last the reasonable deduction that our economic readjustment probably will not be completed until this division has swung back to the normal (pre-war). If this be a prospect of years, not months, we must face it. Compromises will merely prolong the readjustment.

The cost of living has nothing to do with the case. This is not something

that is imposed upon the wage earners, but is a consequence of their own attitude to their work. Nor is there any such thing as a definite scale of living that any superior power can improve or impair at will. The scale of living that a people can enjoy is what they can afford. What they can afford depends upon what they earn, that is to say what they produce. The only way to economic happiness is by increased production, which means greater resource on the part of management and harder work and more efficiency on the part of labor.

We have been, for a long time, preaching these principles in the abstract, without being popularly understood. The National Bureau of Economic Research has performed the inestimable service to the public of showing numerically how things have resulted and thereby enabling the part of the public that thinks at all to visualize what otherwise it might dismiss as mere academic theory. It is just such work that distinguishes the new science of quantitative economics, and in the present juncture of human affairs there is nothing that is more useful.

## WAGES, TRANSPORTATION

### AND TARIFF

(Continued from page 21.)

tariff. I have, within the last thirty days, seen articles manufactured by American concerns in Europe, shipped to this country, and after paying all charges, sold on the open market here for 25 per cent less than we could manufacture them for. It will not be long before products manufactured with 10 and 25 cent labor, will flow in an endless stream into the marts of this country, unless immediate action is taken by the Congress of the United States. Strange as it may seem, while a great fight for a protective tariff is being carried on, a still greater fight to kill the tariff, and thus strangle American industry, is being waged.

"The fight against the tariff is being carried on by the merchant princes of this nation. They claim that the establishment of such a tariff would be without justice and would deprive the people of this country of the advantage to be derived from the low-priced products made on the continent of Europe. I am convinced that the most needed thing in this country is the passage of adequate tariff regulations, based on the American plan of valuation.

"Another problem facing the American people is the bonus question, or what is referred to to-day as the

adjusted compensation. It is a burden that the people of this country should not be asked to shoulder at a time like this. I do not believe that the former service men are demanding the bonus. I do not believe they are placing a value on the services they rendered their country in her hour of need. I regard the bonus issue as an insult to the manhood of the American nation. If a bonus is paid, who will pay it? You and I, Mr. Manufacturer. It is purely a political issue and not believed in as a sound policy by those who openly advocate it. When confronted with facts, these same statesmen say, 'Yes, it is unsound, but what of the soldier vote?'

### Need Men of Their Own Mind

"What we need is men with the courage of their convictions in the American Senate, and in Congress. I am sorry that the president of the United States has seemingly reversed his position on this issue. It is revolting to me to think that full-blooded Americans are demanding such legislation, and I do not think they are."

"To come closer home for a few minutes, we must consider our duty as manufacturers. Our duty is first to our local association, second to the state institution and third to the national body. The National Association of Manufacturers is fighting your battles every day of the year.

We maintain headquarters in New York, and a large department in the City of Washington. Through the national body, information in regard to any one, anywhere on the face of the earth, is available in a surprisingly short space of time. Our department is so efficient that the Government agencies constantly call upon us for help."

## AUTO AND TRUCK PRICES CUT

Price reductions are announced by the Nash Motors Company on its new line of six-cylinder automobiles as follows: Five-passenger touring car, \$1,540; seven-passenger sedan, \$2,390; four-passenger coupe, \$2,090; two-passenger roadster, \$1,360; four-passenger sport model, \$1,545. The price of the new Nash four-cylinder car has been reduced to \$1,395. All prices are f. o. b. factory.

The General Motors Truck Company announces these new prices, effective January 1: Two-ton, \$2,775; three and one-half ton, \$3,950; five-ton, \$4,350. These prices represent a reduction of \$625 to \$1,050.

The Paige Detroit Motor Car Company cut the price on every model in its line of passenger cars, effective January 2. The reductions follow: Seven-passenger touring car, \$680; seven-passenger sedan, \$675; five-passenger touring car, \$170; sedan, \$325.

# Treasury Savings And Business Men

*Destructions of the war sound warning to all to re-accumulate capital as rapidly as it can be saved, and executives find an encouraging sign for national prosperity in popular purchasing*

*Written especially for AMERICAN INDUSTRIES*

By B. M. GRANT

Director of Government Savings, Second Federal Reserve District

**I**N the gratifying public response which has followed Secretary Mellon's recent announcement of the Treasury's new offering of an issue of securities intended primarily to encourage popular investment of moderate sums, executives who consider the basic relationship between the accumulation of savings and national prosperity, will find a somewhat encouraging sign. Business men in particular have a natural interest in the widespread development of habits of saving and investment inasmuch as most business is conducted with the capital of others and usually when funds have become plentiful a period of broad economic development has followed. The rapid accumulation of new capital offers therefore one of the surest ways of hastening prosperity as it is of course through the re-investment of earnings, by both individuals and corporations, that a country develops its agriculture, industry and commerce. Without constant accretions of new capital progress is impossible, and, obviously, the sole reliance for new capital is on savings. What the Government is doing in its new movement to encourage saving, therefore, should be of substantial interest to executives who are concerned with fundamentals.

## Encouraging Popular Investment

The Government has indicated that it fully recognizes the importance of continuing to encourage individuals to save a portion of their earnings for investment, especially in Government securities, in view of the beneficial effect that such a course is certain to have upon the financial condition of the Government, upon the prosperity of the country as a whole, and upon the individual welfare of its citizens. By offering uniformly in every section of the country an attractive and easy means of accumulating and investing money, it is hoped to furnish an additional incentive for saving. At the same time the experience of the last five years would indicate that this effort on the part of the Government will act also as a helpful stimulus to all legitimate savings activities now being conducted by private enterprise.

What form of investment individual savings are to take is not of very great moment; but it is of the greatest consequence that the practice of accumulating savings become habitual to the people of the United States.

## Ideal Security to Stimulate Savings

The new issue of savings securities, known as Treasury Savings Certificates, provides for all who earn money an ideal means of investing part of it. It is the only security issued in the United States which carries a Government guarantee against depreciation.

This issue, which may be obtained through practically any bank or post office in the United States, is characterized by many attractive features, some of them of a novel type. Three denominations of Treasury Savings Certificates are available to the public. Until further notice, they will be sold on a discount basis at the flat prices of \$800, \$80 and \$20. They grow in value until maturity, five years from the date of purchase, they are worth \$1,000, \$100 and \$25, respectively. This increase in the principal invested, which will have amounted to 25 per cent at the end of five years, is equivalent to about 4½ per cent per annum compounded semi-annually. Unquestionably this is a liberal return on a security which is of such a high type that it may be considered the world's ideal investment for moderate amounts of savings.

## Attractive Features

One of the advantages of Treasury Savings Certificates is that the interest is automatically re-invested as it is earned, and is paid in one lump sum with the principal at maturity. Accordingly the buyer of an \$800 Certificate, instead of receiving his interest from time to time in amounts so small that they melt away, will receive at maturity five years later, the amount of his original investment plus \$200 interest.

The Certificates are payable by the Treasury upon demand and in case of redemption prior to maturity, accumulated interest will be paid at the rate

of about 3½ per cent per annum compounded semi-annually. The investor will therefore never be concerned over a market price in case he needs the money quickly; he knows the "cash surrender" value of his security in advance.

Under recent legislation Congress permits investment up to \$5,000 (maturity value) in any one year. Each member of a family, firm, association or corporation may accordingly invest \$4,000 cash each year in these Certificates. It will be seen that this security constitutes a splendid investment for trust funds and for the surplus funds of lodges, church societies and similar organizations whose investment requirements are very exacting. Treasury Savings Certificates are exempt from state and local taxation (except estate and inheritance taxes) and from the normal Federal income tax.

## Safest Place for Investment

In emphasizing the desirability of investing in this issue, Vice-President Coolidge makes the following comment:

"This is an example of the purpose of the administration to popularize Government securities. Everyone knows that the safest place in the world for investment is in the obligations of the United States. The excellent feature of this certificate issue lies in the fact that it is redeemable at any moment at a guaranteed fair rate of interest. No one takes any chance in having his investment temporarily decrease in value as happened to purchasers of Liberty Bonds. The attractive features of the investment are the absolute security in principal, a guaranteed high rate of interest, and a guaranteed right to withdraw the money at any time at a lower, but still fair, rate of interest."

Although this new issue of securities has been on sale only a short time it is apparent that efforts to popularize them are meeting with success and that the public has been quick to appreciate the splendid opportunity they offer for investment. Preliminary reports, especially regarding the \$25 and \$100 denominations, are conclusive evi-



dence of their popular appeal. Sales through the New York Post Office for the first month which ended January 15, 1922 aggregated \$171,100, as compared with sales of \$8,150 of the former issue for the thirty days preceding. It is believed that the Certificates are being purchased by many persons who would otherwise spend their money to no constructive purpose. Sales will undoubtedly increase in large volume as the merits of the security become better known in each community—in the home, in the office and in the shop. It is in this respect primarily that business men, especially those in a position to exercise effective leadership can cooperate with the Treasury by recommending Treasury Savings Certificates to their associates and employees as an absolutely safe and thoroughly desirable investment.

Employers who wish to cooperate with the Treasury may play a very definite and important part in the Savings movement if they will provide their employees with the facilities for accumulating the purchase price of Treasury Savings Certificates. This may be done through one of two simple methods by either of which savings may be accumulated with small effort. Psychologically, if you but make it easy for a man to save in units of one dollar, you make it easy for him to purchase a \$25 Certificate. What most persons need as a rule is a system which will take the place of will power, a plan that will relieve them of the frequent necessity of voluntary effort in the matter of savings. Such a means is provided by the new Government Savings system. At the employee's request either (1) a Postal Savings account may be opened for him in which amounts of \$1 or more may be deposited systematically by the employer's representative, or (2) \$1 Treasury Savings Stamps may be purchased and inserted in his pay envelope in lieu of an equivalent amount of cash. Under either the Stamp Purchase plan or the Deposit plan, when \$20 has been accumulated the employee may obtain a \$25 (maturity value) Treasury Savings Certificate which at maturity pays him at the rate of \$5 for every \$4 invested. Both plans are simple, practical and safe. They are easy to operate as no bookkeeping is required. Postmasters throughout the country are ready to cooperate with the business man in this activity.

#### Reasons for Plan in Industries

Government Savings plans during recent years have increasingly found favor with employers throughout the country, some of the reasons given being the following:

(1) A Government Savings plan

makes for better morale in an establishment. The morale of any organization is governed by the mental attitude of its employees. A body of contented workers is one of the most valuable assets a business can have.

(2) Helps conserve time, equipment and materials. Swift and Company say their Government Savings Association has not only had a decided effect in teaching their employees to save "but has saved the company considerably in the way of materials."

(3) Increases productivity by creating more substantial workers. As soon as an employee becomes a systematic saver and accumulates a small sum which he sees continually growing, his new sense of possession and ownership gives him a more balanced conception of the "rights of capital."

(4) Produces no unfavorable reaction as it is absolutely safe and sound.

(5) Decreases labor turnover. Men with a purpose stick to their jobs. Labor turnover particularly in the past few years has represented a very serious waste. Its reduction is of immediate financial benefit to the employer.

(6) Reduces the number of accidents, the cause of which frequently is financial worry.

(7) Helps stabilize business in general. Savings help to equalize the volume of retail transactions as between "good" and "bad" times.

(8) Promotes Americanism.

(9) Provides a constructive method by which large numbers may cooperate to increase the available supply of capital.

#### Need of Savings Very Great

In announcing the new Government Savings system on December 14, last, Secretary Mellon made the statement that "there can be no question about the need for saving, nor of this country's capacity to save." In considering the potential ability of America to save and invest, it is well to recall that in the short space of two and one-half years the American people, fired with the ardor of patriotism, invested in the securities of the United States Government \$22,500,000,000, a substantial portion of which represented current savings. The magnitude of this achievement and the comparative ease with which it was accomplished, amazed not only ourselves but the entire world and furnished unquestionable evidence of this country's capacity to invest increasingly large amounts toward the development of its vast economic resources. There are probably very few people who in time of regular employment cannot undertake some modest plan for the systematic laying aside of money and it is to the advantage of the entire country that this power be harnessed to the wheels of industry. In

an occasional flight of the imagination it is well to consider that if by some magic the thirty million workers of the country could be induced or helped so to manage their personal expenditures as to save an extra dollar a week for three years, an additional fund of nearly \$5,000,000,000 would be made available for productive enterprise.

It will bear assertion again in this connection that, so far as the economic progress of the nation is concerned, it matters little in the last analysis what form of investment savings shall take. Two of the major reasons for encouraging investment in Treasury Savings Certificates by large numbers of individuals are (1) that a substantial portion of the funds thus invested would perhaps not otherwise be saved and (2) to the extent that the Treasury is able to finance its requirements, particularly the meeting of its maturing obligations, through borrowing of this character, there is obviated the necessity of borrowing from financial institutions and large investors funds which might otherwise remain available for the financing of normal business enterprise. It is to be regarded moreover as an evidence of superior strength in a nation when the securities of its Government are widely held among the people.

#### Purpose of Peace-time Savings Movement

"An active response to the Government's Savings movement," says Secretary Mellon, "should accomplish three main objects: it will aid the Government in financing its requirements; it will make for greater national prosperity; and it will increase the personal happiness and individual welfare of those who save."

It is an important fact, and one which many people now easily overlook, that the war has not been paid for, that it was financed for the most part with borrowed money, that as loans fall due they must be paid in part with other borrowed money, and that it is likely that the Government will still be borrowing from its citizens money to pay off the war debt for a considerable time to come. By inculcating in the hearts and minds of less informed men and women an increased sense of responsibility toward the Government in its present financial program, even in a very small way, business men will have the satisfaction of knowing that they have performed a thoroughly worth while service to the country.

America knows now that thrift is the law of progress. The greatest economic bulwark a country may have is in the established practice of thrift among its people. The history of the most constructive periods of human

(Continued on page 44.)

# Acceptances In Foreign Trade

*American banking institutions, through the acceptance system, are now in a position to grant the credits which heretofore were obtainable only in the financial centers of foreign countries*

*Written especially for AMERICAN INDUSTRIES*

By FRED I. KENT

Vice-President, Bankers' Trust Company, New York

ONE of the valuable heritages of the war is the new system of international banking which has gradually been perfected on American soil, operated and directed by American bankers, and equipped to serve to a degree that was not possible before, the business men of this country, particularly those engaged in foreign trade. The necessity of resorting to the European nations for the banking mechanism needed to move goods to and from America was always a handicap to our overseas commerce. For many years we paid tribute to foreign banks for services which we were not prepared to furnish for ourselves.

With the adoption of the Federal Reserve System there was introduced into our credit mechanism a new form of financial instrument, the bankers acceptance. It was by no means new to the European markets, and in fact its value was so recognized on this side of the ocean that we purchased, for a commission from foreign banks, particularly those of Great Britain, the privilege of using their acceptances until the Federal Reserve Act enabled us to create our own. At the present time our banking institutions, through the acceptance system, are in a position to grant the credits which heretofore were obtainable only in foreign financial centers, and dollar credits have to a large extent taken their proper place in the financing of American commerce.

## Increase in Acceptances

Since the law authorizing American banks to accept time bills drawn upon them, American institutions are not only financing a large part of our own foreign trade covering both exports and imports, but that between various other countries as well. The rapid development of this change in financing was only made possible because of various war restrictions upon trade and commerce, and the favorable geographical position of the United States in connection with the seat of the war. There is good reason to believe that this country will be able to retain the financing of its own imports through

American bankers' acceptances, and that there will be a growing increase in the use of such paper to cover exports from one foreign country to another foreign country. This condition pre-supposes the continued



Fred I. Kent

growth of an acceptance market in this country, for without that we cannot expect to hold the financing of our imports with American bankers' acceptances, even though this is the natural way for such business to be carried on. The use of American bankers' acceptances in our export trade may, of course, decrease as normal world conditions develop unless dollar exchange continues to rule at extraordinarily high rates in the world's exchange markets.

Under ordinary conditions American banks would not be called upon to issue acceptance credits to pay for exports from the United States. An acceptance credit in foreign trade must be established by the buyer of the goods directly or indirectly. On that account it is natural and proper that buyers should go to their own bankers for their credits, for their standing is better known at home, their business

can be followed more closely, and a better hold can be exercised by such bankers on goods purchased. The local banker of the importer, therefore, is usually the one called upon to issue credits, and where exchange on his own country is not marketable by the exporter at satisfactory rates, such banker will naturally issue a letter of credit in the money of the exporter, or of some other country whose money is quickly marketable to the exporter.

## Different Before the War

For instance, a French importer of cotton before the war went to his French banker and obtained acceptance credits in francs at say 60 or 90 days to pay for imports of cotton from the United States. The American exporter was given the name of the French bank on which he was to draw his drafts in francs. Such a credit was entirely satisfactory to the American exporter, as there was a wide market for French francs in the United States and he could sell his bill of exchange on the French bank for dollars to any one of the many American institutions, which were actively competing for franc exchange. While the exporter drew his bills in francs, he nevertheless received dollars, which he required in order to continue his business, and such dollars were immediately available through the sale of his franc bill to American bankers even before acceptance. Exporters of cotton in the United States had no difficulty in selling such bills of exchange with bills of lading for the cotton attached as collateral, even though they had comparatively little capital and the bill of exchange could not be presented to the French bank for acceptance for ten days or so.

With French exchange in the United States at the heavy discount that exists to-day, together with the rapidity of its fluctuations, the American exporter is not satisfied to accept a franc bill of exchange, and the importer is required to furnish a dollar acceptance. This he does again through his French banker, but instead of the French banker agreeing to accept a

bill drawn upon him in francs, he must arrange with his American banking correspondent to accept a draft drawn upon such correspondent in dollars.

#### Past Difficulties

Before American banks were authorized to accept time bills drawn upon them it was necessary for importers in the United States to arrange with their American bankers to engage with some foreign banker to accept for their account in order to carry on their business. The importer of coffee from Brazil arranged, therefore, with his New York or New Orleans banker to issue a letter of credit on a London bank, authorizing such bank to accept a bill of exchange drawn at say 90 days sight, that might be issued in Brazil against shipments of coffee to the United States. Where the American bank was well known in Brazil, its letter authorizing the drawing on the London bank of the bill of exchange in Brazil against coffee was sufficient to finance the shipment, otherwise the exporter required a confirmation of the letter from the London bank stating that it would accept the bill of exchange upon presentation. All such bills of exchange were drawn in sterling, and went into the London market, where they were discounted or held until maturity, as money market conditions determined.

Since American banks have been able to accept, instead of issuing letters of credit upon their London correspondents for the importation of coffee, they have issued letters agreeing to accept bills drawn upon them in dollars at say 90 days sight. Such a credit is exactly as good to the Brazilian exporter as a sterling credit, provided the Brazilian banker will give him local currency in exchange for his bill upon demand, and for as large an amount as he would receive for a bill of exchange drawn under a sterling credit. A bill of exchange drawn upon an American bank in dollars, therefore, will only serve its purpose and place the American importer in position to buy goods in a foreign country by means of such bill of exchange when there is a proper market for dollar exchange in the country of the exporter, which must cover time bills as well as demand.

#### Can Always Be Turned Into Cash

A bill of exchange drawn on London at 90 days sight could always be turned into cash at a known rate, which could be ascertained in foreign countries before bills were purchased.

In order to meet this condition, the Federal Reserve Banks have established so-called "forward discount rates" for dollar acceptances, so that,

for instance, bankers in Argentine and Brazil who have had dollar acceptances offered to them knew that upon the arrival of the bills in New York 20 or 30 days after their purchase they could be discounted at certain agreed rates. Exporters from those countries have, therefore, since the establishment of forward rates been in position to obtain local currencies for their dollar bills of exchange at actual discount rates, instead of rates including an insurance to the banks aimed to cover possible fluctuations in the New York discount rate while the bills were in transit.

Bankers' acceptances are ordinarily extended against agreements which usually follow the general lines of those issued in connection with commercial letters of credit. The terms of such agreements cover a promise to have the funds necessary to meet the acceptance in the hands of the accepting banker a certain number of days before the maturity of the acceptance, questions involved in the hypothecation of any commodities that may be back of the transaction, including statements as to the possession of documents covering bills of exchange, insurance policies, etc., statement as to how drafts should be drawn, commission charges covering such portion of the authority to draw as may be availed of (and in the case of confirmation such charges as will be made for the unused portion of the credit), together with any special matters necessary to meet the circumstances surrounding any particular credit.

#### Process of Acceptance

Upon receipt of an application for an acceptance credit, the form of agreement necessary to cover the operation is drawn up and presented to the applicant for his signature. A letter of authority to draw is then given by the banker to the applicant. This letter may merely authorize the individual firm or corporation desiring the credit to draw upon the bank extending the credit, or it may be addressed to a third person, who ordinarily would be an exporter in a foreign country, authorizing such person to draw a bill of exchange upon the bank issuing the letter at 60 or 90 days sight, or whatever the time might be, in dollars, accompanied by regular documents such as are required by usual letters of credit. Such exports could cover goods being shipped from the foreign country of the beneficiary of the credit to the United States, or from such foreign country to some other foreign country, from which it will be seen that the acceptance system is one that allows American bankers to finance trade between other foreign countries as well as trade be-

tween foreign countries and the United States, whenever there is a market for dollar exchange in the country of the exporter. Letters of similar import are usually passed to cover bills of exchange drawn upon banks aimed to finance domestic shipments or to carry goods in warehouse to the time of delivery under sales made. Acceptances which are drawn for the purpose of creating dollar exchange are, however, usually the result of standing agreements which exist between American and foreign bankers, or are drawn by foreign branches of American banks upon their domestic offices.

By means of the acceptance bankers of high standing are enabled to extend a most necessary service to American importers that would be practically impossible without it, except at a greatly increased expense.

#### Whole World to Buy From

Through the use of a letter of credit carrying with it a bankers' acceptance, any importer of sufficient standing with his banker to warrant credit has the whole world to buy from against payment after receipt of goods, and this facility is open to him without the necessity of tying up the funds of his banker. This situation alone is of sufficient importance to the country to warrant every effort to establish a proper acceptance market. The exporter when in receipt of authority to draw a bankers' acceptance which he can negotiate is also placed in a position to export with safety, even though he may know nothing whatever as to the standing of the importer. In effect the bankers' acceptance brings exporters and importers throughout the world together in such manner that they can afford to trade, the exporter receives his money when he ships his goods, and the importer has to pay for them only after receipt, and on most favorable terms, which cover merely an acceptance commission. The current discount rate for acceptances in the country of the acceptor, and a small banker's commission for the service of negotiating the bill of exchange against the letter of credit are generally paid by the exporter. Practically all undue risks to exporters and importers are eliminated.

Considered from all points of view, the bankers' acceptance is the most efficient, inexpensive and valuable form of commercial paper that has been devised to meet foreign trade. By its means advantage can be taken of varying discount markets, the foreign exchanges can be neutralized to some extent, a liquid form of paper finds a place in the market that serves as a balance wheel to all cash transactions.

# More Building Under Open Shop

*Figures and facts show that there is sixty-four per cent more accomplished where the construction industry is not closed to independents; unemployment is 126% greater in closed towns*

*Written especially for AMERICAN INDUSTRIES*

By NOEL SARGENT

Manager, Open Shop Department, National Association of Manufacturers

**R**EVELATIONS by union officials daily make it more and more evident that open shop advocates have been absolutely correct in the statements they have made as to the evils existing where the closed shop prevails. They have if anything understated these evils. Chicago, Cleveland, Cincinnati, Boston and New York are among the leading cities where such disclosures have been made.

These disclosures have, to a very large extent dealt with conditions in

the building trades. The construction industry has long been the chief stronghold of the closed shop; the Building Trades Department is the backbone of the American Federation of Labor.

The conditions, practices and results of the closed shop in the building industry clearly show what the effects on our national industrial life would be of a national closed shop system. We see revealed the conditions opposed by manufacturers in their efforts to establish and main-

tain the open shop in American industry. Manufacturing and transportation should not be placed at the mercy of the closed shop; conditions in the construction industry show why they should not.

These conditions are the results of closed shop rule at work; the laboratory of facts is a far better test than the hypothetical arguments of impractical theorists.

We have noted some of the startling revelations contained in the December, 1921, hearings of the Lock-

## How The Closed Shop Works In New York

*(The date following each note refers to the issue of the "New York Times," files of which are kept in most libraries in which the testimony before the Lockwood Committee appears. The name of the witness and his position is also given.)*

**T**HE New York "Electrical Workers Union" gives "permits" to work to non-union men for \$2.50 weekly. Wm. A. Hogan, financial secretary of the union, December 6.

Foremen must be members of the unions and since subject to trial and discipline do not dare to give the workers orders and are powerless to serve the employers interests. C. G. Norman, Chairman of the Board of Governors of the Building Trades Employers Association, which signs closed-shop agreements, December 7.

Union plasterers refuse to put up panels and mantels if they have been bought ready made after having been cast in an outside shop, even though architects and owners are satisfied, since they are thus deprived of work. Norman, December 7.

Employers are "fined" by the unions for refusing to abide by the union rules. Norman, December 7. John Pearl, Vice-President of the Plasterers' Union, December 8.

Shop stewards of the plasterers make marks on the windows "and say the men may do so much work in a day." Norman, December 7.

The hoisting engineers have no more members to-day than ten years ago, despite increased building requirements. J. E. Donahue, union delegate, December 7.

The plasterers' constitution provides that men "rushing or taking any mean advantages" may not work in the same shop for one year and shall be fined \$10. John Pearl, vice-president of Plasterers Union December 8.

The union "sticks a harpoon" into foremen who "push" their men. Pearl, December 8.

The Marble Polishers' Union has an initiation fee of \$200, and issues not over thirty "permit" cards at a time for \$2 a week each. Joseph Laznofsky, business agent, December 8.

Models used for plastering cannot be used more than once, but must be destroyed, even though the architect would like to employ it again. Norman, December 8. Michael Colleran, President of Plasterers' Local No. 60, said the rule was made to prevent the members being thrown out of employment. December 8.

The Plasterers' Union fined Italians, Germans and Jews for working on St. Patrick's Day. M. P. Gallagher, recording secretary, December 14.

Michael F. Collins, an employer, was "fined" \$115 by the Plasterers' Union for making an affidavit supporting an injunction obtained against the union. Gallagher, December 14.

Marble polishers refuse to handle stone finished outside of New York City. Norman, December 15.

Cement masons who do "an unusual amount of work" for the purpose of "discrediting a member" are fined \$25. Roger Corbetta, union delegate. December 16.

wood Committee in New York. These hearings have shown that the unions and contractors are as arrogant and as powerful as ever, despite the numerous convictions of some months ago.

#### Decreased Efficiency

The disclosures of the Lockwood Committee investigation in New York are practically identical with those of similar investigations in other cities. Wherever the closed shop becomes ascendant its practices decrease efficiency, increase waste, and raise costs.

An investigation several months ago of the building situation by a Chamber of Commerce corroborated the testimony of closed shop price-raising tactics.

"The Committee finds that the prices of building materials and equipment in Boston are as high in most cases and in some cases higher than in the City of New York, where legislative investigation has resulted in disclosures leading to criminal indictments for illegal combinations and price fixing."

These combinations are able to accomplish their ends by reason of the co-operation given by closed shop leaders; the power of these leaders is made possible by the artificial monopoly aspects of the closed shop.

"Your Committee must find that this inefficiency of labor has been one of the most important, if not the most important of the factors in the greatly increased cost of building."

"It is apparent that decreased labor productivity necessitated the use of a larger amount of men for a given amount of work, intensified the labor shortage and thereby increased building costs materially."

"The wood, wire and metal lathers have gone so far as to specify what the day's work shall be."

"There are certain union working rules and policies which are attacked as uneconomic and conducive to inefficiency. Without attempting to review the whole field, the following are quoted as examples:

"On December 18, 1918, the Painters' District Council, Boston, Mass., notified all the employers that, 'The brush to be used in oil shall not exceed 4½ inches and under no circumstances are our members allowed to use brushes any wider.'

"On December 2, 1918, the Painters' District Council notified employers on and after December 15, 1918, the members of the Brotherhood will not be allowed to work with or operate any machine used to apply paint or any other substance used by painters to any surface where paint is applied."

The Executive Committee of the

Industrial Division of the Cincinnati Chamber of Commerce on November 22, 1921, warned the labor unions that if the "intolerable, autocratic and un-American abuses" in the building trades are not remedied, the support of the Chamber of Commerce would be given to the installation of the open shop.

The ultimatum was issued as a result of certain building unions refusing to accept the wage awards of Dr. David Philipson.

The abuses which have resulted in "the almost complete stoppage of building in Cincinnati" are listed as follows:

"First: Evils tending to create waste:

(a) Such regulation as the cutting and threading of pipe on the job instead of in the shop by machine.

(b) The handling of various materials in the different trades by skilled labor when such handling is mere common labor.

(c) The demand that skilled trades perform unskilled labor, as in the case of iron workers demanding that they alone install reinforcing rods in concrete.

(d) The plasterers' regulation compelling two coat work where only one is required.

(e) A vast mass of petty regulations that exist in the minds of business agents and many other items of waste such as those above listed.

"Second: Collusions between employer, supply houses and labor unions whereby certain materials will not be installed by union labor unless supplied through a certain source.

"Third: Jurisdictional disputes, cessation of work because of same and sympathetic strikes.

"Fourth: Restriction of apprentices has caused a scarcity of skilled mechanics in certain trades and likewise creates higher costs and waste by making it necessary that a skilled mechanic be a helper and hand tools and materials to another skilled mechanic doing the work.

"Fifth: The curtailment of production, which seems to have become the keynote of unionism \* \* \* the whole standard of unionism, which should be to raise the standard of production, is, therefore, rather to pull the skilled man down to the level of the least efficient.

"Sixth: The refusal of labor unions to make themselves responsible and abide by their contracts."

#### Curtailed in Many Cities

These abuses have been curtailed and even eliminated in many cities, but not until the closed shop has been succeeded by the open shop, un-

der which alone can efficient and equitable policies be put into execution.

The public should not be fooled by promised elimination of such practices made by leaders of closed shop unions. As long as they retain the closed shop they still possess their power to injure. History has shown that any reform that depends upon promises of union leaders will be only partial and temporary—until public condemnation subsides.

#### Limitation of Production

The Cleveland Chamber of Commerce on May 25, 1921, issued a statement giving the results of its investigation of the local building industry. This investigation, says the statement, "showed conclusively that the closed union shop policy was responsible for undue limitation of production by the following means:

"(1) Union labor restrictions on the use of labor saving methods and devices.

"(2) Arbitrary 'Jurisdictional awards,' whereby in some cases unskilled work was assigned to skilled labor, and in other cases work which could have been handled by one workman was subdivided between two or more.

"During periods of marked activity in the building industry some local unions issued *working permits* to non-union men, for which fees as high as one dollar per day were paid to the unions. These permits were revoked at will by the unions, resulting in the discharge of such men from employment.

"The public interest demands that the supply of skilled labor be maintained in each trade by liberal apprenticeship rules; but the closed union shop policy is to stifle the apprenticeship system.

"The public interest demands friendly adjustment of labor disputes; but the closed union shop policy is arbitrary and coercive."

Extracts from New York city newspapers during December, 1921, reveal in detail some of the methods prevailing in all cities where the closed shop unions in the building trades become sufficiently powerful.

"The testimony indicated that there were about fifteen to twenty thousand electrical workers in New York, of whom only 2,800 were members of the union. The union enriched its treasury by granting to the non-union men permission to work under weekly 'permit' cards if they paid \$2.50 for journeymen and \$1 for helpers, making \$130 a year for journeymen and \$32 for helpers, although the members of the union paid monthly dues of only \$2 or \$24 a year.



"In spite of frequent attempts to enter the union the men on 'permit' cards were always informed that 'the books are closed.' Just what became of all the money paid into the union has not yet been disclosed." (New York Times.)

Think of 2,800 workers being able to control the working power of 15,000 other workers, who are forced to pay daily tribute for the right to earn a livelihood. Would the open shop hurt these men—the majority?

"Michael Colleran, youthful president and business agent of the Operative Plasterers' Union, attempted to justify affairs in that industry, particularly the destruction of plaster models when once used and paid for by the contractors. He insisted it was for the benefit of the industry. Mr. Untermeyer asked:

"I am trying to find out and I will if it takes all winter, on what theory you dictate to owners who are paying you to do the work, how the work shall be done, and override their objections when they disagree with you. How do you justify such conduct?"

"Colleran said something, a factor of safety, then admitted that supervision in that direction lay with the public authorities and finally admitted that many of the regulations imposed by the union were to prevent the elimination of work. 'You try to make as much work as possible, don't you?' Mr. Untermeyer asked. 'Yes' replied the witness." (New York Herald, December 8.)

#### Against Waste Elimination

Thus did this union president admit that union regulations are designed to prevent waste elimination.

"A story of how a plasterers' union fined a group of its Jewish, Italian and German members \$19 each for working on St. Patrick's Day last year was unfolded yesterday before the Lockwood Legislative Committee, investigating housing conditions.

"Why should Italians, Jews and Germans be fined for working on St. Patrick's Day?" Michael P. Gallagher, recording secretary of the union was asked by Samuel Untermeyer, committee counsel.

"There was no answer."

'Practices of the Plasterers' Union in fining employers and workmen alike for permitting overtime work and other facts, which Mr. Untermeyer charged were done only because 'the union has the brute force to do it,' were brought out through reading the minutes of the executive committee. In one instance an employer was compelled to pay his plasterers for two hours overtime, or \$2.38 for each man, because distribution of the weekly wages was not completed

until 5:10 p. m. on pay day, 10 minutes after quitting time.

"If there had been 100 men, instead of a few, would work have to stop at 4 o'clock to get them all paid by 5?" asked Mr. Untermeyer.

"Well, whatever time it would take," replied Mr. Gallagher." (Christian Science Monitor, December 14.)

"During the examination of Otto and R. F. Koester, engaged in building a large apartment house at Walton Avenue and Cameron Place, the Bronx, it appeared that the former made a bet of \$100 with Peter Paragone, foreman of the plasterers' on the job, against the men completing the plastering job at a certain time. There were twenty-two men at work and they had plastered thirty-two rooms in three and a half days before the wager was made. After the wager the plasterers did forty-eight rooms in two and a half days. Otto Koester denied the wager was a sort of bribe. He admitted he made a similar wager last week with a tile foreman concerning the completion of work on a building." (New York Times, December 14.)

Did all the union or "permit" workers share these "bets"?

The special investigating committee of the Boston Chamber of Commerce, previously cited, that "union rules and trade agreements do restrict the number of apprentices to be employed." Closed shop tactics do not vary greatly.

"Christian G. Norman, chairman of the board of governors of the Building Trades Employers Association, told how the metallic lathers compel the payment of 'waiting time' when material used is not fabricated on the job, but at a plant or factory. They argue that the installation of new machinery has deprived them of work they are entitled to and claim the compensation as a result.

"It was brought out that the wood lathers have an agreement with the contractors that provides that if a builder starts with one lathing contractor he is tied up to him for the rest of his business life. No other contractor will bid on a job, or if he does bid makes his figures so high as to be prohibitive." (New York Herald, December 15.)

#### What the Real Estate Man Found

The Real Estate Board of New York on December 10 issued the following statement:

"The revelations brought out by the legislative housing committee on certain phases of the union labor activities have an important bearing on the vexed question of rents. The domination of the labor unions has for years been a familiar story to builders and contractors who pro-

duce housing for the public.

"Those who occupy these houses now have an opportunity to see why the cost of housing construction has steadily increased and why, even on a lower material market; the major factor of labor cost still remains at pre-war levels."

The public should realize fully all of the causes of high rents, properly place the blame, and then support those who wish to remove the causes. The open shop increases building and will decrease rents.

The New York Globe (pro-labor) in an excellent editorial on December 15 pointed out the necessity for public refusal to longer tolerate the extortions of contractors, material dealers, and closed shop unions, singly and in collusion. The Globe said:

"Well might Mr. Untermeyer rage at the statements he drew from witnesses before the Lockwood committee yesterday! The tile trust, despite fines and jail sentences, was reported to be active and as extortionate as ever. An official of a local plumbers' union admitted that a man just returned from serving a five months' sentence for extortion, and under three additional indictments, was acting as the union business agent. Surprising data was produced as to unreasonable wages and collusive bidding.

#### Citizens Throw Up Hands

"There is a tendency for honest citizens to throw up their hands and submit when confronted by facts like these. 'If these fellows will rob us,' some whimper, 'why we must be robbed.' This is characteristic of New Yorkers, who are by training and circumstances the laziest citizens in the world, and will avoid all possible public service. Unquestionably both the building materials combines and the corrupt union officials have recognized this weakness and depend upon it. The outlook is plain. If the city surrenders now to these men it will make a miserable bed for itself. For the last few years they have made housing an economic monstrosity. If permitted, they will continue to make the building of homes for the workers and the lower middle class of New York a terrible infliction on these classes, if not an impossibility for them. They will continue to bribe, connive, overcharge, and extort.

"But there is no reason why the public should surrender. It is stronger now than it has ever been. Through its agents it has secured hundreds of convictions. It can fine and imprison guilty men as long as they like the process, putting pressure on the courts, putting laws upon the books if necessary, to make more

prison sentences and fewer fines. If the city will carry the fight through it will win. It does not need the tile trust and Mr. Brindell and Mr. Chapman. There are honest men in the state or near it willing to supply materials, and there are honest workers. Mr. Untermeyer cannot carry his two-fold fight too far. It is cheaper to get men and material from California than lie down to rascals in New York—much cheaper and far more honorable."

#### Power in the Closed Shop

Small but powerful groups of contractors and material dealers would not be able to dominate building conditions if it were not for the agreements they can make with leaders of closed shop unions. Their power rests entirely upon the closed shop contract of the union whose members under the agreement refuse to work for any but members of the employers organization, thus outlawing all outside contractors. We must apply the axe to the root; these contractors, material dealers and union leaders might have the desire but they would not retain their power if the closed shop were abolished.

The Brooklyn Eagle of December 15, 1921, listed the following union practices shown by the Lockwood investigation to exist in Brooklyn. They are only comparable to closed shop practices revealed in Cincinnati, Boston, Chicago and elsewhere. They are in many cases combined with conspiracy agreements with small but powerful groups of contractors and material dealers which tend to eliminate competition and place builders at the mercy of the conspiring parties.

1. Union plasterers demanding and getting \$16 and \$18 a day on threat of strike.

2. Union painters demanding and getting \$12 a day on threat of strike.

3. Union rules limiting size of paint brushes to 4½ inches in width to prevent speed.

4. Union rules stating amount of work painters and plasterers may do in a day.

5. Union bricklayers cutting their work from 1,800 bricks a day in 1914 to 500 or 1,000 in 1921.

6. Union plasterers refusing to admit one new member since 1915, cutting their membership smaller and smaller each year.

7. Union rules compelling builder to allow contractor to buy material with an intermediate profit for himself.

8. Union rules compelling builder to allow contractor to engage workmen with an intermediate profit for himself.

9. Union rule compelling builder

to do business all his life with one contractor, no matter how poor his work or how high his charges.

10. Union rules refusing to permit plasterers to work more than five days a week.

11. Union practice of fining contractors and builders for irregular work done by its own men.

12. Union rule that upon a contractor defaulting a job the work must be completed by the union at its own exorbitant day wage scale.

13. Union rule that its members must not be allowed to install toilet, lavatory, and other plumbing equipment that has been assembled, rapidly and economically, at the factory.

14. Union rule that every two plumbers must have a helper, a man who is not allowed even to touch the tools.

We will naturally expect to find that union rules and practices such as the above instances typify increase the cost of building, thus restricting the amount of construction and continuing the structural shortage which we all know to exist.

An examination of building permits for the year 1921 in thirty leading American cities brings this out forcibly.

In fifteen towns where building is an open shop basis and free from closed shop restrictions the per capita value of building permits during the year was \$64; in fifteen towns having closed shop building conditions the per capita value of building permits was only \$41.

#### Where Building Is Closed Shop

Population	Value of 9 Months Building Permits	Permits Per Capita
	Providence	
237,595	\$4,897,800	20.6
	Cleveland	
796,836	46,531,323	58
	Indianapolis	
314,194	16,872,240	53.7
	Newark, N. J.	
414,216	21,578,221	52
	Kansas City, Mo.	
324,410	16,024,175	49
	Chicago	
2,701,705	124,028,010	46
	Cincinnati	
401,247	17,682,510	44
	Dayton	
152,559	6,105,061	40
	Pittsburgh—McKeesport	
634,168	25,257,261	39
	Syracuse	
171,717	5,828,598	34
	Louisville	
234,891	7,428,300	32
	New Orleans	
387,219	8,037,959	21
	St. Louis	
772,897	12,324,133	16

Population	Value of 9 Months Building Permits	Permits Per Capita
	Scranton	
137,783	2,073,197	15
	Butte	
41,611	102,342	2
7,723,048	314,771,130	40.75
<b>Where Building Is Open Shop</b>		
	Los Angeles	
576,073	82,713,386	143
	Oklahoma City	
91,258	7,300,317	80
	Minneapolis	
380,582	23,388,055	62
	St. Paul	
234,595	14,362,181	61
	Detroit	
993,678	58,086,081	59
	Atlanta	
200,616	11,236,776	56
	Milwaukee	
457,147	24,976,025	55
	Richmond	
171,667	9,292,603	54.1
	San Antonio	
161,379	7,995,188	50
	Grand Rapids	
137,634	5,634,182	40.93
	Seattle	
315,652	12,862,425	40.74
	Duluth	
98,917	3,518,464	36
	Salt Lake City	
118,110	3,436,985	29
	Spokane	
104,437	2,124,037	20
	Akron	
208,435	3,782,548	18
4,250,180	270,709,233	63.69

Less building in closed shop towns naturally means less employment for labor. And building, it must be remembered, is the key of the industrial structure. Almost 11,000,000 persons (either as workers or as members of a worker's family) derive their living through construction. It is estimated that 50% of all security issues (state, municipal, railroad, and industrial) in 1920 were for construction in some form or other. A report issued by the Committee on Statistics and Standards of the United States of Commerce declares: "Construction would seem to be the barometer of our industrial life. When depression strikes construction, it rocks the entire industrial structure and 'good times' undergo a process of metamorphosis which is conducive to acute conditions. But when the tide turns, construction is the first to be carried with the rising flood, and other industries follow in its wake."

(Continued on page 36.)

# Running The Farm By Electricity

*The farm is rapidly becoming a great modern industrial plant which must produce to the maximum all the time possible and the modern motive power is extending to every phase of activity*

*Written especially for AMERICAN INDUSTRIES*

By CHARLES H. HUNTLEY

**W**HILE the factories were, very naturally, the pioneers in adopting electricity as a motive power, the farms are rapidly falling into line in utilizing it for a wide and increasing variety of work.

For years the trend has been more and more toward the use of machinery to do farm work. In fact, agriculture could not be conducted on the scale that it is to-day without machinery. The inventions of the mowing machine, the horse rake, the reaper and binder and the threshing machine marked a new epoch in the history of producing the world's sustenance. As inventors widened their vision, the agricultural horizon expanded.

Through the instrumentality of machinery, horses were able to a very large extent, to do the work of men. Great as was this gain in efficiency and in quantity production, however, it was not enough. Thus the attention of the inventor was turned to steam, and another gain was made. The field was, however, limited. The steam engine is not sufficiently flexible in its application to make it an ideal farm power. It requires constant attention. The operator must be expert in running it. It is absolutely dependent on having fuel and water available—no small problem in many cases. It is a potential fire danger. Some of these disadvantages are shared by the gasoline engine, which has been widely substituted for steam.

## **Electricity— Cheap, Efficient**

Hence the trend toward electricity—a cheap, exceedingly flexible, unquestionably efficient, safe form of power, and one that is, in addition, so versatile that it does work all the

way from operating great threshing machines and lifting heavy loads to lighting houses and barns, running the vacuum cleaner and operating the cream separator or shearing sheep. In this one respect alone—its versatility—it so far outclasses other forms of power as to give it a tremendous advantage over them. The electric generator furnishes light, heat and power at the same time, which no engine, either steam or gas, is able to do, and the current which may be used for any or all of these three essentials may be transmitted through a wire to any point desired.

Among the heavier tasks done by electricity on the farm are operating threshers, driving harvesting machinery, baling hay, hoisting hay, pumping water in quantities for irrigation, and grinding grain and feed. In the dairies it operates milking machines, cream separators, churns, pasteurizers, cheese curd grinders, and similar devices. It cuts ensilage, shells and cracks corn, runs the fanning mill, mixes feed for cattle and hogs, shears sheep, hulls peas and beans and does other work of the kind. In the stable it clips and grooms the coats of horses. In the poultry house it oper-

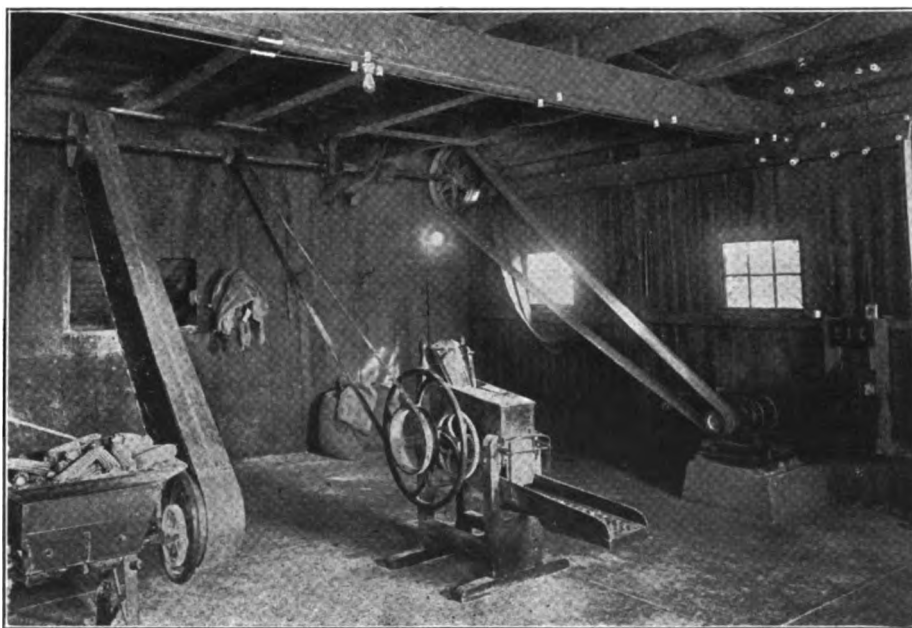
ates the electric incubator, supplying a heat more easily controlled and more efficient than that furnished by other means, and when the chickens are hatched they are cared for in an electric brooder. An electric light in the poultry house, promotes, as tests have shown, the production of eggs. Electric motor trucks carry farm produce to market. Electricity runs the saws for providing firewood, and a splitting machine for splitting it. It operates the concrete mixer for doing concrete work around the farm, and the various wood and iron working machinery that is to be found in the farm workshop for repairing farm implements. And one of the most important fields of usefulness of all, it pumps water for the house and barns.

## **Many Individual Applications**

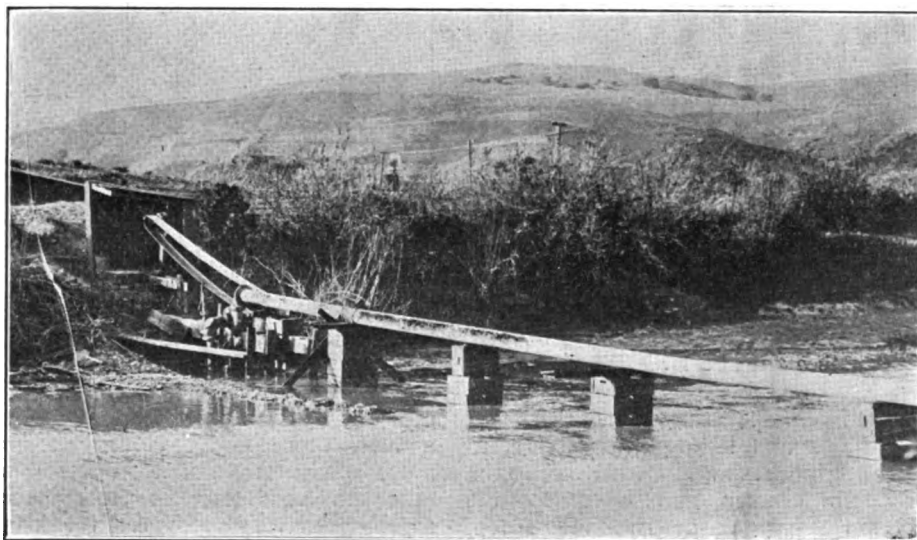
This is only an outline of the power uses for which electricity is being utilized on the farm. The individual applications are legion.

It is not alone for power that electricity is used on the farms, however. It also supplies light, not only for the house, but for the barns, the stables, the corrals, and the grounds. It is

safe—which cannot be said of other forms of illumination. Its flexibility makes it unrivaled, for a wire may be run to a distant field, if necessary, and a floodlight installed so that crops may be gathered at night as well as by day in a rush season. It may be said, incidentally, that power can be supplied in the same way for operating machinery in remote sections of the farm. Many farmers mount motors on wheels and take them from place to place about the



Corn sheller and grinder operated by motor



Pumping up water by motor for irrigation

farm as they are needed. No one questions the superiority of electricity as an illuminant. Nor, to-day, is there any reason why the farmer should not have the advantage of using it as well as the city dweller.

The farm of to-day may have all the household electrical appliances—electrically operated washing machines, ironers and dishwashers, vacuum cleaners, electric flatirons, percolators, samovars, toasters, egg boilers, refrigerators, heating pads, vibrators, and the other numerous electrically operated or electrically heated devices—that the city resident may have. Perhaps the sole exception to this is the electric range, and that may be had if a sufficiently strong current, such as that supplied by a central power station, is available.

Farms are supplied with electricity in two ways. Current is furnished to a number of them by central power stations. The lines of these power stations are, in the United States, advancing farther and farther into the country districts so that electric energy supplied by them is available in many sections at considerable distance from the cities and larger towns. The installation power plants in the smaller towns are also adding to the supply available and the area of the territory thus served.

There are, however, many farms for which no service of this kind is to be had. Therefore, the farm light and power set has been developed. This set consists essentially of a generator, storage batteries and switch-board equipment. The generator is usually driven by a gasoline or kerosene engine, although where circumstances permit, it may be driven by a water wheel. Application of the electric current thus generated is, of course, made through individual motors attached to various machines or through a portable motor that can

be carried from place to place, or through both.

### 300,000 Power Plants in Use

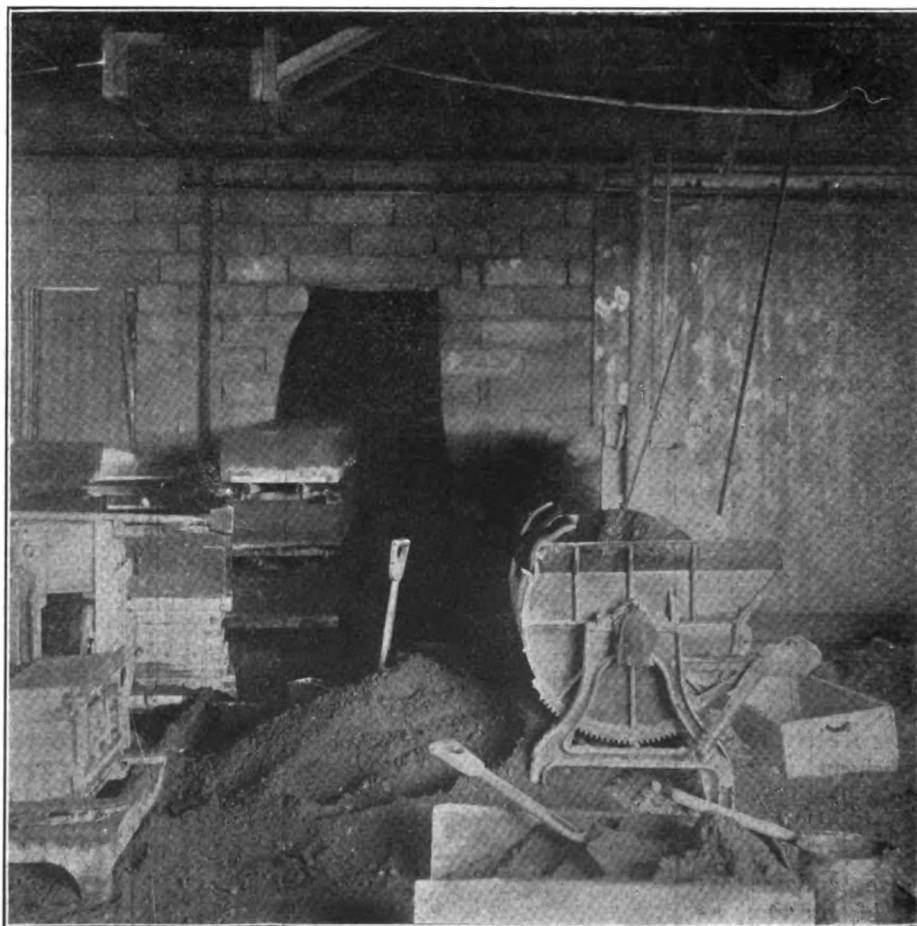
Approximately 300,000 of these sets are in successful use in the United States and the demand for them is constantly increasing. They are not expensive, the cost being well within the means of even the average farmer with but few acres. That they are efficient is demonstrated by the number in use, for the farmer of the

United States is eminently practical. He must be convinced that an article is efficient and will do what it is claimed it will do, before he buys it. An interesting sidelight on the view taken by those who have installed such plants is afforded by answers to an inquiry sent out recently by a farm paper asking a number of farmers whether they would want to go without their farm light and power set. Not one of these replied in the affirmative.

Some of the answers were emphatically expressive. Among them were "Should say not"; "By no means"; "Certainly not"; "No, no, no!" "Not by any means," and others of like tenor. It may be remarked that the farmers of the United States are not given to extravagant expressions, or to saying what they do not mean. To those who know them, such expressions as those quoted above are indicative of the value set by the owners on such plants.

On many farms there is an opportunity to install a water power system for generating electricity. Far more than sufficient power is going to waste on them to supply electric current for their needs, or if preferred, a steam plant for driving a generator may be installed.

However the power is generated,



Mixing concrete by motor

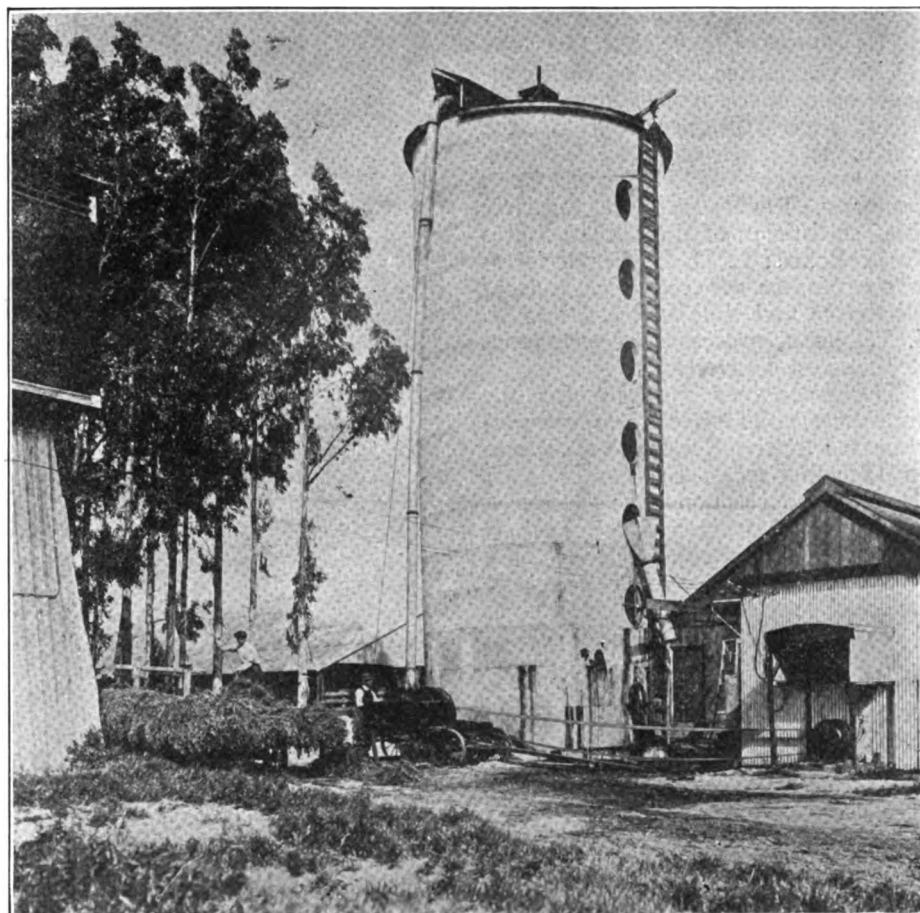


the range of farm and household machinery which may be electrically driven is extremely great—greater than that of any other kind of motive power. In flexibility, as to distribution, and in the diversity of uses to which it may be applied, it is unrivaled. Its economy in operating expense and the simplicity of its operation are strong factors in its favor.

Electricity is not merely the coming farm power. It is already in process of displacing its rivals. The stars see their reflection by night in the glow of electric lamps in farmhouses dotting the distant mountains and the lonely prairies as well as the cities, and the song of the motor echoes from the countryside the hum of its myriads of brethren in the great industrial centers. And logically so. The farm is really an industrial plant which turns out the raw material for the world's food and clothing. Efficiency and modern methods are as necessary to it to make the most of its resources as in the case of the factory.

#### Electrifying the World

Official announcement from Washington of the creation of a "Division of Electrical Machinery" in the Department of Commerce calls attention to the growing demand of the outside world for American equipment for harnessing this latest servant of man—electricity. In the opening year of the war, our fiscal year 1915, our entire exports of the group officially designated as "electrical machinery and appliances" amounted to but \$19,772,000 but had advanced to \$54,547,000 in its closing year, 1918. Then with the world's return to peace and its closer acquaintance with the quality of our manufactures in this line, the



Cutting up the alfalfa by electricity

total exports of "electrical machinery and appliances" jumped to \$80,000,000 in 1919, \$87,000,000 in 1920, and \$119,221,000 in the fiscal year 1921.

This increase of \$32,000,000 in the exports of this class of merchandise in the fiscal year 1921 is the more remarkable in view of the fact that in the other important classes of machin-

ery the exports of 1921 showed but comparatively slight gains. The exports of electrical machinery increased 37 per cent in value in the fiscal year 1921, while those of all other machinery were increasing but 10 per cent.

This growing demand for electrical machinery comes from every direction and includes every sort of appliance. American electric lights twinkle in practically every country and colony of the world; our telephones transmit the languages and dialects of every part of the globe; our telegraph instruments click in every continent and country and island; and our electric fans supply cooling breezes the world around. The more than 17,000,000 electric lamps exported in the latest year for which details are available went to seventy-five different countries and colonies, including all the principal countries of Europe; all of Latin America; all of the Asiatic countries; Australia and New Zealand; and the principal countries and colonies in Africa. The \$5,000,000 worth of telephones exported in 1921 went to over sixty different countries; the 88,000 electric fans were distributed to more than seventy countries, while the \$2,000,000 worth of electric heating and cooking apparatus went to no less than fifty countries and colonies.



Saving your back on the old woodpile



# **MORE BUILDING UNDER OPEN SHOP**

(Continued from page 32.)

This Committee included such eminent economists and educators as Albert Ross Hill, president of the University of Missouri; N. I. Stone, labor manager of Hickey-Freeman Company, Rochester and formerly chief statistician of the United States Tariff Board; L. D. H. Weld, formerly professor of economics both at Minnesota and Yale Universities; M. S. Wildman, professor of economics at Stanford University.

The emergency program for the immediate relief of idle workers promulgated by the National Conference on Unemployment, September 30th, also declared (section 11):

"The greatest area for immediate relief of unemployment is in the construction industry, which has been artificially restricted during and since the war."

It is evident that the attitude of labor must play an extremely large part in the situation of the construction industry, since, according to authoritative figures, 44 per cent of the money paid for the average house goes to the workmen. Material accounts for 43 per cent of building costs. General expenses and overhead costs consume approximately 6 per cent, leaving slightly over seven per cent for the profits of general and sub contractors.

Beyond question, therefore, the building industry is the key of the unemployment situation.

In cities where building is on a closed shop basis unemployment is 126 per cent. greater than in cities where open shop conditions prevail in the building trades.

The accompanying tables, comparing the same fifteen open shop building cities with the fifteen communities where building is on a closed shop basis prove conclusively the above statement.

## **Where Building Is Open Shop**

Idle	Population	% of Population Idle.
	Duluth	
7,000	98,917	7.1
	Detroit	
50,000	993,678	5.0
	Akron	
9,550	208,435	4.6
	Milwaukee	
20,600	457,147	4.5
	St. Paul	
9,500	234,595	4.0
	Oklahoma City	
3,210	91,258	3.5
	Richmond	
5,300	171,667	3.1
	Atlanta	
5,200	200,616	2.6

Idle	Population	% of Population Idle.
	Salt Lake City	
2,860	118,110	2.4
	Seattle	
7,240	315,652	2.3
	Spokane	
2,437	104,437	2.3
	Los Angeles	
10,950	576,073	1.9
	San Antonio	
2,515	161,379	1.6
	Grand Rapids	
2,000	137,634	1.5
	Minneapolis	
5,000	380,582	1.3
143,362	4,250,180	3.4

## **Where Building Is Closed Shop**

	Pittsburgh-McKeesport	
85,000	634,168	13.4
	Cleveland	
104,000	796,836	13.0
	Scranton	
16,020	137,783	11.6
	Newark, N. J.	
47,311	414,216	11.4
	Butte	
4,570	41,611	10.9
	Dayton	
16,400	152,559	10.5
	Cincinnati	
37,600	401,247	9.3
	St. Louis	
68,500	772,897	8.8
	Providence	
19,640	237,595	8.3
	Indianapolis	
25,000	314,194	8.0
	Syracuse	
12,200	171,717	7.1
	Chicago	
134,584	2,701,705	4.9
	New Orleans	
15,150	387,219	3.9
	Kansas City, Mo.	
9,000	324,410	2.8
	Louisville	
5,050	234,891	2.2
599,995	7,723,048	7.7

The following notes explain certain features of the above tables.

(1) Building permit values are taken from the American Contractor, published by F. W. Dodge Co., in nearly every instance. In a few cases they are from official figures sent us by mail from the different cities.

(2) The number of unemployed in each city is obtained from figures laid before the Unemployment Conference by the Department of Labor. The figures appear in the New York Herald of October 5th, 1921.

(3) The population figures are those of the 1920 census.

(4) The figure for Pittsburgh building is given in the American

Contractor. The population of McKeesport coupled with Pittsburgh in the unemployment figures of the Department of Labor, is 7.8% that of Pittsburgh, and its building has been assumed to be at the same ratio.

(5) For two of the cities, Scranton and San Antonio, figures for only eight months were available. The other four months were added in as fifty per cent of the eight months total. Newark figures of only nine months were available, and the figure for the final three months of the year was taken as a third of the first nine months.

(6) The Providence figure is 200 per cent of the value of "contracts awarded" during the first six months of 1921. It was impossible to obtain the figures for "building permits" in Providence. While it is impossible to specify for a given city, we are informed that generally speaking "contracts awarded" total higher than "building permits," so that it cannot be justly claimed that the Providence figures are designedly presented to the detriment of the "closed shop."

(7) The cities listed are not "hand-picked," as is evidenced by the fact that twenty-five of the thirty are among the fifty largest cities in the United States; twenty-one, or seven out of each ten, are among the forty largest cities. It is a well known principle of statistics that when a sufficiently large number of objects are compared local and special factors are eliminated as determinants of the final averages.

(8) If building is 75% "open" a city is placed in the "open shop" group; if 75% "closed," it is put in the "closed shop" class.

(9) Many of the cities in which building is on a "closed shop" basis are strongly "open shop" in the manufacturing industries.

(10) Several of the cities now in the "closed shop" group will probably be out of that group by the end of 1922. In several cities local movements, not yet at a head, will assist in the transformation.

(11) It will be noted that New York City is not included in the closed shop group, although nearly all its building is on a closed shop basis. The New York per capita figure for the year 1921 was \$79. Even if New York City were included in the closed shop group the combined average would be less than \$62. New York City is excluded since, having well over a third of the population of the whole group, its inclusion would raise the group average automatically to an artificial point. This is because the New York

(Continued on page 40.)

# TRADE OF THE WORLD AND FOREIGN TRADE OPPORTUNITIES

Conducted by **WILLIAM M. BENNEY**

Manager, Foreign Trade Department, National Association of Manufacturers

## Selling Goods In Mexico To-day

*Common fault in cultivating new markets is giving a man too big a territory to cover, and this is particularly true in Mexico, an instance being of an agent making a \$300 trip to sell \$100 of goods*

A VERY common oversight on the part of manufacturers taking their steps in cultivating foreign markets is to give too large a territory to one agent or representative. Very few individuals, firms or companies are in a position in any except very small countries to give adequate representation for a particular line of goods throughout the whole country. This is particularly true with Mexico, where, for instance, the states of Yucatan and Campeche are commercially altogether distinct from the other parts of the Republic. A correspondent of the National Association of Manufacturers in Merida lays particular stress on this matter in a recent communication in which he says:

"The circulation of any but local newspapers and magazines is practically nil.

"Freight and shipping expenses are higher between Mexico City and Yucatan and Campeche than they are between these two states and New York or New Orleans.

"Steamer connections between New York or New Orleans and Progreso, the shipping port for both these states, is more frequent than between Progreso and any other Mexican port."

He illustrates the inconvenience with the following specific case:

"On same date I wrote to two manufacturers asking for prices and catalogs on the same material and to-day I received their answers, one sending the information wanted and the other advising that they had requested their Mexican representative in Mexico City to call on me, a \$300.00 trip to sell \$100.00. The order in question has been already placed, as in all probability no news from Mexico City would

be received in less than two weeks from now and prices would be at least 5 per cent higher for the accommodation."

And finally he makes the following suggestion which should be carefully taken into consideration by our readers:

"It is true that the amount of business that any given manufacturer could secure from this territory is not

large enough to warrant the expense of opening an office here, but I would beg to suggest that several manufacturers appoint a common representative and keep stock here to sell to the trade at factory prices plus expenses. It would be cheaper than advertising for this territory and the arrangement so convenient to importers that it would greatly efface the bad effects of low German prices on American trade."

## Canadian Election And Trade

THE general elections for members of Parliament in Canada in December resulted in the defeat of the party in power and the return of the Liberals to the control of Dominion affairs. The majority of the Liberals, however, will be a very small one over that of the defeated party and the Progressives. The Liberals as a party have always leaned towards free trade in principle, but in practice they have taken very good care of Canadian industries so far as tariffs are concerned. While, therefore, the new government may be expected to look critically into any proposal for increased duties, they will nevertheless give very careful attention to tariff rates, in the first place to secure all the revenue practicable, and at the same time give what they consider adequate protection to the established industries of Canada.

The Liberals have favored reciprocity with the United States, and were in power when the last reciprocity treaty with this country was negotiated in 1911. It failed of ratification because of the return of the Conser-

vative party to power in that year.

The Liberals also are responsible for the preferential tariff granted to British goods and may be expected to continue that policy, not from sentiment alone, but from the fact that the free trade policy of Britain has so far been the means of admitting practically all Canadian goods to the British market free of all customs duties.

The Liberals are also responsible for the intermediate tariff which has been in force in Canada for many years and which provides a range of duties somewhat lower than the general tariff, which applies to the United States and most other countries, and somewhat higher than the preferential tariff on British goods. The intermediate tariff can be availed of by any foreign country that wishes to make a reciprocal tariff arrangement with Canada.

In this connection, it is interesting to note that Canadian trade with Germany is rapidly increasing. Reports of the Canadian Department of Trade and Commerce for the twelve months ended September last show that Can-

adian products were exported to Germany to the total value of \$8,292,471, which was nearly three times as much as in the previous year, and more than double that of the highest figure in pre-war days.

Before the war, Canada was always a much larger importer of German goods than she was an exporter of her own goods to Germany. At the present time the situation is reversed, the imports from Germany into Canada for the twelve months ended September being valued at only a little over two million dollars.

The emergency tariff of the United States, according to the Canadian Trade Commission, has seriously curtailed trade between the two countries, Canadian exports of animal and vegetable products to this country being cut in half during the seven months ending with October this year, as compared with the same period of 1920. Canadian imports from the United States have likewise fallen off greatly and the tendency will be for Canada to buy less rather than more from her neighbor while the premium in Canada on New York funds remains,

which again is contingent on an increase of Canadian exports either to the United States or to other lands.

In connection with Canadian trade, it will be well for all American manufacturers already trading with Canada, or contemplating cultivating business with that country to remember that beginning January 1st the Canadian regulation requiring imported goods to be marked with country of origin goes into effect. In this regulation Canadian authorities have followed very closely the practice of the United States.

## British Industries Fair

THE exhibitions of British manufactured goods instituted in 1915 under the style of "British Industries Fair" have developed into important annual institutions, probably now the most important national trade fairs held in any country of the world. The British Industries Fairs are purely trade fairs, and not exhibitions in the ordinary sense. Their function is to bring buyer and seller together and to facilitate business between them by every legitimate means. The fairs in 1922 will be held in London and Birmingham from February 27 to March 10. They are organized by the Department of Overseas Trade, with the help in Birmingham of the Birmingham Municipality and Chamber of Commerce.

At the London branch of the fair articles such as cutlery, jewelry, haberdashery, glass and chinaware, paper, stationery, scientific and optical instruments, musical instruments, carpets, chemicals, perfumery, dyes and confectionery will be the chief exhibits, while at Birmingham the articles will be in the line of lighting apparatus, rooking utensils, foundry appliances, general hardware, general machinery, India rubber goods, accessories for motor cars, railway equipment, metals, agricultural and horticultural machinery, etc. The textiles will not be included in the 1922 fair.

In the national fairs of the continental countries of Europe, the exhibits are usually held in many separate buildings. The British fairs have heretofore been handicapped because of lack of suitable exhibition facilities in one place. This trouble has been largely overcome in 1922 by securing enough additional accommodation both in London and Birmingham to provide not only for the annual growth of the fair, but also to find room for the great industries which have hitherto exhibited at Glasgow. This concentration, of course, will save the visitor

much unnecessary traveling.

The London section of the fair, as in 1921, will be housed in the White City, while the Birmingham one will again be in the great buildings of the Castle Bromwich Aerodrome.

Being purely a trade fair, admission is restricted to trade buyers and business is not impeded by crowds of sightseers.

### SMALL ORDERS AND THE JOBBER

Dull times compel the manufacturer to face other troublesome problems than that of falling business alone. One is how, in fairness to the jobber and himself, to handle the orders for small quantities of goods which the jobber is more and more inclined to place in a dull market in order to protect himself against loss in case prices recede.

Many manufacturers have continued the policy of a member of the National Association of Manufacturers making a line of engineering specialties who recently wrote the Association saying:

"One of the problems with which we are confronted is that of the increasing quantity of small orders. We have one price only for our jobbers, regardless of quantity. The cost of shipping a few ounces is practically the same as for shipping one hundred pounds. Can you give us any information as to how pick-up business is handled by other manufacturers?"

Inquiry on this subject among prominent manufacturers of lines kindred to that of the inquiring member elicited descriptions of a number of ways in which the problem was being solved or met.

While several manufacturers could see "no way out," or took it for granted that "small orders will eventually mean large orders," others again had worked out carefully considered plans for discriminating between the small and the large order in a way to secure compen-

sation for the extra relative expense with small orders or to discourage placing them.

For instance, one manufacturer makes a "minimum charge of 25 cents on any order, even though it only involves a screw, which is, perhaps worth only a fraction of a cent."

The policy of another manufacturer is "to ship all goods where the amount of the sale is \$15 or less C. O. D.," while a third exacts an extra charge of ten per cent on orders for less than standard packages.

Another establishment grants jobber prices "only to those jobbers who continue to carry a sufficient quantity of the various assortments of the specialties we manufacture to serve the trade in the district in which the jobber operates," while still another tries to meet the difficulty by shipping a specialized product in standard size cases at a certain discount, and not allowing this discount on orders for less than the standard case.

Interesting comments and arguments on the subject are included in the brief report on this subject compiled by the National Association of Manufacturers.

*(Copies of the report will be sent to any manufacturer who may apply for it to Secretary, National Association of Manufacturers, 50 Church Street, New York, asking for report on "Handling Small Orders.")*

### PRAGUE SAMPLES FAIR

Prague will hold its fourth International Samples Fair from March 12th to March 19th, 1922. These sample fairs at Prague take place twice a year—in the spring and in the autumn. Industries represented at the fair are classified under seventeen groups, and include practically all classes of manufactured goods. Application forms and further details regarding the fair can be obtained from Dr. Neubert, Vice-Consul for Czecho-Slovakia, 31 East 17th Street, New York, N. Y.

# Poland, Russia And The Soviet

*Property rights receiving fresh consideration because their destruction has caused much embarrassment—New regime a terrible thing for the middle and upper classes but not bad for peasants*

*Written especially for AMERICAN INDUSTRIES*

By FRANCOIS DE ST. PHALLE  
Vice-President, Baldwin Locomotive Works

**T**HERE is good reason for looking toward Poland as the gateway to future trade with Russia.

One of my objects in Europe was to obtain information available about Russia. Inquiries in France showed not much more information than is available in the United States. In Germany Russian conditions are better understood and German interests are exerting every endeavor to find a basis for reopening Russian trade for the benefit of Germany; but I had the impression that Germany is far from doing as much Russian business as she would like to, and is somewhat handicapped by the fact that she now has no direct contact with Russia.

Poland, of all countries, I found the best informed about Russia because so many Poles have lived in Russia; they have brothers and relations there now—and the flow of Russian information is direct and realistic. I would say that in Warsaw one can get nearly as good an idea of what is going on in Russia without going to Russia, as one in Washington can judge the situation in Canada or Mexico without going there. The impression from numerous conversations with Poles having just returned from Russia is that the Soviet Government is in no danger of disappearing and that the future of Russia will be in the evolution of the present government to suit the dictates and aspirations of the masses.

## Consideration for Property

Evolution of Soviet ideas has already gone a long way. Property rights are receiving fresh consideration because their destruction has caused much embarrassment. While the Soviet regime has been a terrible catastrophe for the middle and upper classes, it is not so bad for the peasant classes because with the Czars, under the system then prevailing, the peasants received only a minimum share of nature's blessings. Little as they get now, they possibly get as much as they used to; that is why the peasant is sufficiently satisfied and the Soviet Government endures. The leaders

respect the convenience of the "mujik" as much as possible and progress is likely to come under the slow pressure of the peasants wanting more efficiency and better things.

In this connection, the demonstration of the highly efficient American Relief Administration distributing foodstuffs in Russia is likely to stir a desire for more efficiency in Russia. Mr. Hoover's attempt is most decidedly worth while, especially when considering the precedent of his Administration's wonderful work in feeding children in Central Europe, notably in Poland. I saw hundreds of children fed at Lodz, Poland, and will never forget the impression of good and useful work attached to what I saw and the happiness of the children getting their food. Poland, however, is now able to take care of itself and child feeding will soon be discontinued by American relief.

Formal trade agreements with Russia have not yielded much but there is now quite a smuggling trade going on between Poland and Russia. When I was in Poland this trade was forbidden by Russia, which was endeavoring to establish a monopoly of foreign trade to assist the foreign finances of the Soviet Government.

## Lost Incentive for Work

One trouble in Russia is the lost incentive for work, because after a peasant produces enough for his needs, as he finds nothing desirable in Russia to exchange for his surplus efforts, he consequently stops. When peasants have surplus food or articles obtained from the former residences of the rich, they do not wish to sell these to the Government because the roubles are not of much use. Therefore, they hide these articles in holes in their land and wait for traders and smugglers. In the darkness of night they come to some meeting place where Russian furs, precious metals and precious stones, wheat and other surplus products are exchanged for Polish products such as small agricultural implements, textiles, knives, hardware and other similar necessities. Trade originates from the need of the peas-

ant of something that is not produced in this country now.

Whether Russia will remain as a unit or build up in separate units, nobody knows, but it would not be surprising if progress is uneven over that great country and, therefore, the future may be unexpected. While people are dying in the Volga, there is surplus of food in the Ukraine but the Ukrainian peasant cannot be induced by his government to part with his surplus food and keeps it hidden because there is nothing the Volga has to give him that he really wants. However, if a smuggler of some kind presents to him knives or other articles of necessity, he will have no difficulty in obtaining from the peasant his surplus wheat.

My confidence in Poland is based on the good balance and quality of its natural resources and the industry of its population of about 30,000,000 inhabitants.

## Will Have Surplus Products

Beginning with the year 1922, she will have surplus food, surplus oil, surplus coal, surplus textiles, surplus steel and diverse manufactures, also timber, all available for export. When a nation has such resources for itself and to sell abroad, it can take care of almost any emergency.

Poland has had many troubles because the Russian German war was fought over almost the entirety of her soil for years and through a succession of battles. Then followed the German occupation with minimum rations. After the Armistice, Poland was left in a condition close to destitution. Where other nations have had over three years of peace and haven't yet recovered from lesser troubles, Poland had another war in 1920, only eighteen months ago, in which her soil was invaded to the gates of Warsaw by the Soviet armies. By determined and patriotic action, with a little assistance from France, Poland gave the Bolshevik armies a most decisive licking and permanently established peace in the East, as the Soviets have ceased to be a military menace. Polish provinces came together from the former domination of Prussia, Austria and Russia,

with different sets of laws, customs and governments. All these had to be molded into one which is a slow and difficult process. With all these difficulties progress, of course, has been slow but now Poland is about to emerge as one of the most important nations of Central Europe.

The favorable settlement of the Silesian plebiscite not only gives Poland valuable territory but removes the bitter antagonism of German propaganda conducted to influence the plebiscite. The settlement was much resented in Germany at the time but placed in the presence of an accomplished fact there is nothing to do but recognize it and get along with Poland as well as possible which the Germans are now rapidly proceeding to do.

#### Everyone Sick of War

Marshal Pilsudski, Chief of the Polish State, said when I met him in Warsaw: "We have had all the war we want. We want peace. We want to go to work and develop our country as it has now been given to us. Should our grandchildren desire differently that is their affair. This generation wants to work in peace with all the world." I think the same kind of opinion prevails in Germany. Everybody in Central Europe is sick and tired of war.

The present depreciation of the Polish mark is the result of difficulties of the last two years. While it has embarrassed the Government and is almost crushing to the class of people depending upon a fixed income, it does not in any way arrest the economic life of the nation; on the contrary, the economic life of Poland is most active. Wages and the cost of living have gone up more or less hand in hand so that the working classes do not suffer. Everything is now set in Poland for greater stability of exchange, the only thing lacking being balance of the budget which the Government is working hard to obtain. After that is done, a fixed value will probably be given to the currency, and as Poland has no reparations to pay and small foreign debt with great natural resources she is likely to be one of the first countries in Central Europe to acquire a satisfactory currency suited to future conditions.

The general impression is one of great activity everywhere. Everybody seems busy earning a living somehow. This living, however, does not include much luxury. I have never seen a city, of the size of Warsaw, reduced to the same minimum expenditure in the way of unnecessary luxury. Public and private buildings have had the absolute minimum of repairs for years. There are practically no automobiles in the city, and only a few horse car-

riages. The trolley cars are overcrowded and most people walk. Clothes for men and women of all classes are sufficiently warm but avoid luxury and fashion. We witnessed an especially fine performance of "Giceonda," given by a Polish company. The Opera House was filled with an appreciative audience, men and women dressed in ordinary business clothes. This absence of luxury is a good thing for Warsaw at the present time, although some tourists perhaps fail to appreciate the economic necessity of it and complain

unduly about the absence of taxicabs and conveniences. Notwithstanding many troubles, everyone seems sufficiently cheerful and optimistic, much more so than in Germany. The thing that struck me most favorably was the optimism of the Poles about their ability to solve their problems along with a very sane realization of the difficulties involved; that is to say, they realize they have a difficult job ahead of them, but they are quite confident of their ability to solve it. With this confidence in the bright future of Poland, I personally entirely agree.

#### MORE BUILDING UNDER OPEN SHOP

(Continued from page 36.)

figure, due to local laws, is high in spite of the abuses and combinations prevalent in the construction industry of the district.

There can be no real question as to the accuracy of the above statements. Thus we find the New York American (another pro-"labor" paper) announcing as follows in the issue of January 2, 1922, figures issued by Henry H. Curran, retiring President of the Borough of Manhattan.

"In the last ten months home building in New York has increased 413 per cent over the previous year. Building activity is expected to continue during 1922 on the same scale, as the result of the tax exemption ordinance approved on February 25 last."

And an editorial in the American Builder of December 1921, declares:

"Recent figures issued by the building commissioner of Greater New York show a tremendous increase in the number of building permits issued in that city. This has been caused by the tax exemption of new buildings for a period of five years, which in the terms of actual cost reduces the expense of building about 10 per cent."

It will be seen that the New York \$79 figure is not at all an adequate one for comparison, as it is the result of special and local action. The group average of \$41 much more nearly represents the actual closed-shop average, and indicates 56 per cent more building where construction is on an open shop basis.

Examination of the above tables brings out many very interesting facts:

(1) Of the ten towns with the highest building averages per capita only two, Cleveland and Indianapolis, do their building on a "closed shop" basis.

(2) Of the five cities having the least amount of unemployment only

one, Louisville, is in the "closed shop" group.

(4) None of the "closed shop" cities have as much building per capita as the combined average of the fifteen "open shop" localities. Ten of the "open shop" towns have averages above the grand average of all the "closed shop" cities.

(5) Only two of the "closed shop" cities, Kansas City and Louisville, have less unemployment than the combined average for all of the "open shop" towns.

(6) Not a single one of the "open shop" cities has as much unemployment as the combined average of all the "closed shop" towns.

#### Where These Need Work

Out of every 1,000 inhabitants of towns where building is open shop 34 are now unemployed; where building is closed shop 77 are seeking work. In other words 126 per cent more persons per 1,000 are now unemployed where the closed shop prevails—over twice as many. There are less free bread lines, fewer hungry mouths, fewer empty fuel bins, in towns where building is open shop—and building is the key industry of the country. The universal adoption of the open shop will not insure universal employment; but the wider application of open shop conditions in the building trades will tend to decrease the structural shortage, remedy the housing situation, and lessen unemployment.

Employers can do much to remedy the present situation. They should encourage builders to adopt the open shop; they should stipulate that all of their own construction be on an open shop basis. But most important of all they should inform the public as to the facts of closed shop rules which increase costs and unemployment. The general public should be urged to end the closed shop evil in the construction industry, thus reducing unemployment and stimulating the revival of general prosperity.



## AMERICAN VALUATION CONVENTION

*(Continued from page 8.)*

can valuation, and that valuation is determined by the cost of manufacturing and marketing the same commodities by American manufacturers. The moral is, that occupants of glass houses should not too often indulge their impulses to throw stones.

"The mercantile interests should not overlook the fact that the purchasing power of our nation is maintained principally by its industrial payrolls. To a person who is out of work and has no money, it makes little or no difference whether a needed article is priced at five cents or a dollar. It matters not how cheaply an article may be purchased abroad and sold in this country, unless our farms and factories are producing and selling on a profitable basis and thereby putting money into circulation among the masses, merchants cannot sell their wares at any price and all classes suffer alike.

"Upon these considerations, the convention of American manufacturers has been called. In December last when tariff interest had reached high tide, the National Association of Manufacturers sent out to its entire membership throughout all the States in the Union a referendum for the purpose of determining the exact position which the organization should take with reference to this vital problem. There was only one question to be voted upon, and that was whether the members favored or opposed the American valuation principle. The ballots were accompanied alone by a short argument on each side of the question. The arguments were prepared upon request by a conspicuous advocate and a conspicuous opponent of the principle, neither of whom was connected with the offices of the association. Every precaution to obtain a voluntary and fair expression of the attitude of our members was taken. The time was very short in which to obtain this expression. Even before the ballots ceased to flow into our offices, we were compelled by the exigencies of the situation to stop and count them. They were counted by a committee of members of the association who were not connected with the offices. The result showed that a total of 1,318 ballots had been cast at the day of counting, of which 1,023 were in favor of the principle, 274 opposed, and 21 defective ballots. In percentages, this result is equivalent to 77.7 per cent for American valuation, 20.7 per cent against, and 1.6 per cent defective ballots.

"It is to be noted that only a little more than 25 per cent of the entire

membership of the association voted at all. This was undoubtedly due to several things. In the first place, many manufacturers as well as other citizens were not at that time familiar with the question. The overwhelming majority of American manufacturers have given little study to the tariff question because of the fact that in the past domestic markets have been sufficient to absorb their products and they have done no exporting. Other large numbers of our members had already expressed their affirmative interest through their trade, local, or state associations, and they felt no necessity for voting on this occasion.

"The National Industrial Council, which is composed of organization memberships and which is the twin organization of the National Association of Manufacturers composed of individual memberships only, has gone on record as favoring American valuation. In the Council there are considerably more than three hundred trade, national, state, and local industrial associations comprising an aggregate membership of more than fifty thousand manufacturers. At the semi-annual meeting of the Council in October last, which was attended by thirty-six presidents and as many secretaries of State Manufacturers' Associations, a resolution in favor of the American valuation principle was unanimously adopted. We have mountains of evidence, therefore, that not less than ninety per cent of all the manufacturers in this nation who know the difference between foreign and American valuations are enthusiastically in favor of their home brand."

Numerous addresses were made, the following report necessarily giving only a brief extract from each.

**William E. Humphrey**, formerly a member of the House of Representatives from Washington, said:

"May I say first, by way of introduction, as representing the American Valuation Society, that that association knows no section nor class nor party nor politics. We don't care particularly about phrases, but we are the only country or nation to-day that makes any pretense of being an industrial country that has not already abandoned the principle of foreign valuation. Under the present plan America figures the rate and the foreign nation figures the valuation. We stand for the principle and propose that hereafter America shall figure both the rate and the valuation.

"We do not propose hereafter to leave to the intelligence, the cupidity, the honesty of any foreign nation to what we shall charge the foreigner to sell in our markets to compete with

our manufacturers, with our farmers and with our working men.

"Now, as you know, the lower house of Congress has already adopted the American valuation plan. It has gone over to the Senate. The majority of the finance committee favors that plan, but suddenly there has grown up a nation-wide propaganda against the American valuation. What is the reason for that? Men do not spend their money and their time for nothing. And it may, I think, help in the consideration of this subject if you will remember that the only persons in America that have any reason to object to the American valuation plan are the importers.

"They urge against the American valuation, that we can not ascertain the wholesale market price in American markets. Does that appeal to your reason and your intelligence? We have in this country the greatest railway facilities, the greatest mail facilities, the wireless and the telegraph, of any nation upon the earth. Why, every portion of this great Republic is in immediate touch with every other portion. The wholesale market price of every product in America is an open book that the custom house officers can read every hour in the day. Do you believe that it is more difficult to ascertain the wholesale market price of a product in America than it would be in China?

"It is not because of a difficulty of ascertaining the wholesale market price in American markets that terrifies the importer; it is the certainty and the ease with which it can be ascertained and that thereby makes almost impossible the undervaluation and fraud in the assessment of the duty."

Mr. Humphrey showed a receipt for \$5 which he paid for a knife in Chicago, which was imported from Germany and cost nine cents in the European country.

**James N. Gillette**, formerly Governor of California, said:

"I represent the manufacturing interests of the Pacific Slope, and in the inter-mountain states. We are intensely alive there to this question. The states bordering on the Pacific Ocean have, just across the sea, one of the cheapest labor markets of the world, active and aggressive. We know that if we do not get the protection which the theory of our Government always has guaranteed to us, that the manufacturing interests of the West will be at the mercy of the manufacturing interests of Japan, and we know that we cannot compete with the cheap labor that exists in that country and our manufacturing interests must abate.

"Now America to-day is the one country where we have a stable mar-

ket, where we have a dollar worth 100 cents. It is the only great market of the world to-day, and towards this market the eyes of the world are directed. We hear it said (and I agree with it, too) that everything should be done that can be done to establish credit and prosperity and all that, in foreign countries, and to put them on their feet. I agree with that. But in putting the countries of Europe on their feet, and the countries of Asia on their feet, we do not want to put America on its back.

"Under this American valuation plan, as I understand it, everybody is put on an equal footing. The importer is not going out of business. When he imports his articles into this country and brings them here and pays his tariff, he is then put on an equal footing with the American merchant and the American manufacturer. He is not going to lose and he is not going to suffer. And is not that fair? Should he complain because he is put on an equal basis, on an equal footing, with everybody else? Is there anything wrong about that?"

**Charles J. Webb, of Philadelphia, president, Philadelphia Textile Manufacturers' Association, said:**

"I lost my voice at Salt Lake City talking on this valuation subject. I was talking to the agriculture bloc, so you know how hard I had to talk. I don't think you need have any fear on the American valuation plan, because at Salt Lake they said they were convinced, and if they were for it, anything that the agriculture bloc is for in Washington, you can go home and bet your last dollar they will get it."

**Walter Camp, president, New Haven Clock Company, said:**

"First, if you had, two or three or four months ago—you had six million men out of employment here—six million more men—the average wage scale of those men was \$982, it is a thousand dollars a man. That meant six million dollars loss a year in productivity and in wages. That is very nearly one-half of what all the Allied nations use in the indemnity. In other words, if you let your work get away from you, you are losing so rapidly that even the cancellation of the indemnity or the longer extension of it would not make any difference to you. You are losing half of it a year on a six million unemployment."

**Milo D. Campbell, president of the National Federation of Milk Producers, said:**

"I am grateful for the opportunity of bringing to you the greetings of what I believe to be a majority of the thinking farmers of the United States upon the question of American valuation,

and that they are for it and are getting to be for it stronger every day.

"There were a hundred millions of the population of Europe that would have been glad to come to America if they could, to have displaced our American workmen. Congress limited that immigration and now the men have only changed form. The men who would have been contract laborers, shipping their pauper labor of Europe into all of the places in this country where labor was wanted, find now that they can accomplish practically the same purpose by shipping the products of pauper labor of Europe over to this country, not only destroying the laboring man and his wages, but destroying capital as well, and destroying also the farmer's market in this country, a three fold destruction as compared to foreign immigration.

"Bear in mind that there are 6,500,000 manufacturers upon the farms of this country. Our products are manufactured products. We want the same protection upon our product that you get upon your product.

"We are willing to go hand in hand with you men."

**Paul N. Turner, representing the Actors' Equity Association, said:**

"There are things to be remedied in the motion picture industry, for which purpose Mr. Hays has been appointed, but nevertheless within the last year there have been imported in this country and there are now advertised in this country 52 foreign-made motion pictures, and I think that we may say that the cost of each of those pictures in this country, if built here, would be \$200,000, on the average, and if those pictures were being made in this country to-day, every studio in Fort Lee would be going full blast."

**S. O. Bigney, of the Attleboro Chamber of Commerce, said:**

"The Attleboro Chamber of Commerce, without a dissenting voice, and with a shout, placed that organization upon record as favoring immediate tariff legislation, coupled with American valuation. Our business is largely the manufacture of jewelry. You heard and saw that sample, that pocket knife, that you were told about this morning. It is very vital. I am a manufacturer of pocket knives myself and about every manufacturing jewelry makes more or less of them. But the other day one of my head mechanics went to Providence upon a little errand, and he thought he would give his little boy a 'Dutch cut.' And so he bought a pair of clippers, which Germany makes for \$1.39. Three days afterwards another toolmaker went in on a particular mission, and he thought he would go over and get a pair. They were all

sold out, in two days time. There were about fifty of them there but they were all gone. So they said, 'We have the American clipper here.' He says, 'All right, how much?' 'Six dollars.'"

**George P. Kimball, secretary of the American Hardware Exportation of Connecticut, said:**

"I have a few little samples in my pocket, and a price list. We are in the lock business and our company makes a very fair percentage of the total percentage, and we are in competition with these German folks. There are 401 manufacturers of locks in Elbert, Rhineland, alone. I just got a catalog here. The catalog gives prices of a lock factory similar to this one here. Three marks and twelve phen-nigs per dozen."

**John A. Matthews, president of the Crucible Steel Company of America, said:**

"I might remind you that knives in October came in here at an average valuation of 99 cents a dozen; razors came in at an average valuation \$1.21 a dozen, and scissors came in at \$1.12 a dozen. That was for the Christmas trade, and if any of you bought any of those articles for Christmas gifts you probably recognized the disparity between the price at which they entered and the price at which they were sold to you at the hardware stores."

**H. L. Henry, of the American Valuation Society, said:**

"I had the job of trying to manage a razor factory, normally the Geneva Cutlery Corporation, of which I am general manager, employs between six and seven hundred hands. We are employing now about 90 to 100, and we have got them sweeping out corners, keeping sidewalks clean, and a few other odd jobs to keep the organization together in the hope that some time our representatives in Washington will see their way clear to give us an adequate tariff and a tariff that would enable the American manufacturer to support his workmen in the way that they ought to be supported."

**M. A. Edgar, of the Southern Tariff Association, McIntyre, Georgia, said:**

"You gentlemen that are familiar with the mineral development in this country know that there is no place in the world where they can make—or at least in this country—where they can make iron and steel cheaper than they can in Alabama, and yet at the same time our factories are closed. Why? Partly owing to the general unrest and partly owing to the fact of the uncertainty as to what is to come next. We never know what Washington is go-

ing to do, and if there is anything in the world that the business man wants it is a certainty. We would rather face a certain loss, if it is only a small one, than the uncertainty of having our whole business and our whole plant wiped out.

"Now in regard to the other industries that I represent, I would like to say for the mineral division—the southern division of the mineral industries of this country, they are one hundred per cent in favor of a strong protective tariff and of the American valuation."

**R. W. Dilphenha, of New York, representing the National Preservers' and Fruit Producers' Association, said:**

"At our convention in Louisville on the 16th and 17th of this month, the National Preservers' and Fruit Products' Association assembled there passed a resolution unanimously in favor of the American valuation.

"I will go a step further and say to you that we will have the hardest kind of effort to keep our industries going even with American valuation, and I believe that the United States Government should go beyond that, and, upon investigation, whenever any industry is threatened in America, that there should be an absolute embargo put on the article that threatens the extinction of that American industry. England is a free trade country, but she has done it. In October she put an embargo on nearly 900 articles, and power has been given to her legislative bodies to prohibit the importation into England of any article that is liable to destroy her industries."

**Herbert W. Smith, representing the American Mining Congress, said:**

"The whole body of the American Mining Congress, representing the producing mining industry of the United States, which represents more than a million workers, and which represents many billions of dollars of invested capital in the United States—endorses the important principle of American valuation and leaves to the wisdom of Congressional committees to determine what administrative methods are necessary for its proper application.

**William P. Clark, president of the Flint Glassworkers' Union of America, said:**

"I want to say to you men that your interest is in jeopardy when the interest of the workers is in jeopardy, and that is what actuated me to go to Europe, because we have suffered for years and years due to importations. And I did not go alone, but believing that it was for the best interests of the men for whom I

speak, I asked the Manufacturers' Association to send a representative of their organization with me; and, jointly, we traveled through twelve countries of Europe investigating the industry in which we are interested. And, we agree on all essential points. It may be of interest to you to know, men, that for more than four years past the American Federation of Labor has declared for practically what you are declaring for here today."

**Prager Miller, Roswell, N. M., representing the New Mexico Wool Association, said:**

"I believe that we cannot have a restoration of prosperity in this country without a high protective tariff, based on equality to all the industries of the country, including the American valuation plan of levying those duties. It is utterly impossible."

**John Fidler, Philadelphia, Pa., representing the Manufacturers' Club of Philadelphia, said:**

"Within the last two weeks a salesman of one of the largest mills of Philadelphia went into a Chicago store and attempted to sell the product which that mill makes. The company replied to that salesman, 'These goods are right; your prices are not high; you are not making a fortune on them, but as long as we can make so much more money on foreign goods, why should we buy the American?'"

**Henry G. Thresher, Providence, R. I., representing the New England Manufacturing Jewelers and Silversmiths Association, said:**

"There are certain brooches, brooches for ladies' wear, being imported and laid down, duty paid in this market, for 3.5 cents. This brooch contains approximately forty pieces of metal and material, and requires approximately twenty solderings. All of this is done by hand labor. This brooch pays all the expense of manufacture, all the profit of manufacturer, pays sixty per cent duty, and is laid down in a little individual box with cotton for three cents and a half. It is absolutely impossible, gentlemen, for any American factory to compete, and our factories are not trying to compete with it because it is, as I said impossible."

**W. E. Wells, representing the National Potters' Association, said:**

"Even before the war a fine china dinner set paid \$2.40 duty to the Government and retailed over the counter at \$72, and the retailer told his female customer that 'the reason we have got to charge such a high price, \$72 for that china dinner set, is that we have to pay 60 per cent duty.'"

**James B. Reynolds, Special Representative of the United States Treasury Department, said:**

"I want to say this, that to my mind there is no reason why American valuation cannot be administered in a fair, equitable and just way to the satisfaction of everybody who would be satisfied with fair play.

"There is nothing uncanny about American valuation. There is nothing mysterious about it. Everything is out in the open. And to say that the customs officials who for years and years have been finding values abroad, have been finding the value of foreign goods in foreign countries, is not confined to the value of an article, whether it is imported or whether it is of American manufacture in the United States, is a statement that seems to me only to be necessary to be made to carry its own reputation. The customs officers know the goods; they have been acquainted for years with special lines; it would be a very easy matter for them to find the selling price of these goods in the United States."

**Herbert J. Wynne, of Rochester, said:**

"I went abroad in October and I returned on the 10th day of December, spending most of my time in Germany. I went on a boat that had about four hundred first-class passengers, and I don't think I am stretching the truth at all in saying that 300 of them were men who were headed for Germany to buy anything they could buy. I had man after man tell me that he had been out of business for years but the opportunity was too great; the United States was asleep; that they could buy goods for almost nothing in Germany and they could bring them over here and make their everlasting fortunes."

**Frank P. Cox, representing the Associated Industries in Massachusetts, said:**

"The Associated Industries of Massachusetts took a referendum vote on this question of American valuation. On Friday afternoon they had received 450 replies—about one-third of the members. Of that 450 replies, 57 favored foreign valuation and 393, or over 87 per cent, favored American valuation."

**Edward Taylor Franks, Owensboro, Kentucky, member of the Board of Vocational Education, said:**

"I want to say to you, in the beginning that it is very encouraging to hear our friends coming from the South, and especially from Georgia, representing American protective tariff and American valuation. You know a few years ago it was thought that

our protectionists of the country were all from Pennsylvania and New Jersey, but I find them down in Georgia now and Louisiana, and it is very encouraging, and to show you that I am a protectionist and believe in home industry, I have on a jeans suit made on a water mill forty miles from a railroad in the State of Kentucky."

**George B. Chandler, secretary, Connecticut Chamber of Commerce, said:**

"Time and again the people of this country have recorded themselves against free trade, and yet with the mark worth about five mills, and with German labor subsidies in addition, we are operating to-day under free trade with Germany. I wonder if there is anyone in this country, except the active pro-Germans, who believe that we should continue to operate under a tariff in which Germany occupies the position of the most favored nation, and under our resisting tariff the nation with the depreciated currency and the low cost is in the position of the most favored nation."

**H. E. Miles, of Racine, Wis., said:**

"We have been to the best men we know in America and we could not find that there is any under-valuation. Will some of you be so good as to tell us at this convention, what do you mean by under-valuation? I suppose you mean fraud. You always imply it in your statements. There is undoubtedly some under-valuation; but the men who have been in the law, the men who have been in the government for years and years, say that the under-valuation is a very small per cent.

"I would rather have a little under-valuation than to have the tariff cursed by everybody from over-valuation. And there is not a price-fixing bunch of wholesalers in America but who would control the tariff in their industry and could put the rate of tariff up and up, and up."

**Clement J. Driscoll, secretary, American Lace Manufacturers' Association, said:**

"May I read this one thing? This is a note on under-valuation. 'Referring to our telephone conversation to-day, here are the figures showing the number of invoices per month, during the calendar year 1921, which were under-valued by the appraisers—if they were on the floor again they would tell you 'wait a minute, stop that stuff; that is not under-valuation.' That is where a fellow gives it a foreign value, and makes a bad guess.' But, gentlemen, they make very few guesses the other way. The guesses are always invariably less.

"But listen to the list of guesses, bad guesses which resulted in the Government being 'gypped' out of his money

—'January, 418.' Down at the bottom of the list, the total for the year, '6,942.'"

Various state delegations made a visit to the Capitol to urge their Senators to favor the adoption of American valuation. When the convention reconvened, Mr. Edgerton said:

"I feel compelled to make an observation or so for my own personal relief. I went to the Capitol this morning and had quite a satisfactory talk with one of our Senators from Tennessee, and the position he took on the matter was very gratifying to me. I noticed the presence of other delegations meeting there, various Senators and Representatives and this thought came to my mind: that if the manufacturers of this country would not wait for an emergency to arouse their interest, but would give expression from day to day to their interests in this country and in what is going on at Washington, and on election occasions, it would not be so frequently necessary for us to come from all parts of the country at the sacrifice of time and money to try to forestall the enactment of legislation that is sometimes the result of our own indifference and inactivity, until the wolf is at our door.

"Now, one of the first thoughts I have in connection with this convention is that we will go away feeling that we have done all we could; we have performed our duty to American industry; we will go back and think no more about it, and then when your Representative or Senator comes around for re-election and solicits your help, you will forget this occasion altogether. If he has helped and has given evidence of a broad understanding of the needs of this industry which lie right at the very bottom, the foundation of the prosperity of this country, then he ought to be commended just as readily as he is condemned when he fails to express such an interest. And if we have a Representative that has not given evidence of a proper appreciation of the needs of industry, a proper understanding of fundamental economic law, then I say to you in all sincerity and spirit of fairness, that we should do our level best to retire him from office.

"I want to say to you that we are not going to become effective legislatively in this country as manufacturers until the folks on the Hill learn to hear us a little. I had one distinguished Senator to tell me recently in discussing the attitude of the average American manufacturer towards these great problems—he said: 'Why, you can't blame us for frequently paying legislative attention to them. As a rule they never can get together on what they want, as a rule. We will

have a delegation one day coming up here for one thing and another the next day, petitioning for something absolutely different. Consequently they neutralize the efforts of one another and they have very little effect.'

**John Kirby, president of the Southern Tariff Association, Fort Worth, Texas, said:**

"You know it is something rare for a Southerner to come to the Congress of the United States asking for protection to American industry. It is rare because our people heretofore have not understood the subject.

"We have come to know that there is an economic question; that it originated with the Government itself, and we have come to know that in this hour of the world's distress it is absolutely indispensable that American industry be protected against foreign competition to the extent of equalizing the cost in that country and in ours."

**William Burgess, of the Tariff Commission, said:**

"We have a tremendous task coming before us in the commission as you will realize and appreciate, and yet it is a task that must be done by someone, and I am particularly glad to say to you that the Tariff Commission, although a non-partisan or a bi-partisan board, is one that is absolutely without prejudice. Everything that comes before that board has due consideration and everyone is heard willingly, and I

*(Continued on page 47.)*

#### HONORS FOUNDER OF INTERURBAN

*(Continued from page 14.)*

entire state of Indiana there are about 3,000 miles of line.

Mr. Henry now is president and general manager of the Indianapolis and Cincinnati Traction Company. This company is arranging to complete its road to Cincinnati, the downtown district of which it will reach by way of the new subway constructed in the old canal bed.

#### TREASURY SAVINGS AND BUSINESS

*(Continued from page 26.)*

progress is a narrative of industriousness and economy. It is well to reflect that in the old-fashioned virtues of honest effort and thrift our forefathers laid the foundation of our present economic strength. The capacity of a people to save is always one of the distinguishing elements of true national greatness for when individuals save they grow in happiness, in contentment, in self-control, in charitableness, in the sense of security from want, in courage, and in the enjoyment of worldly possessions. Similarly a nation increases in strength, enlightenment and prosperity.

# FOREIGN TRADE OPPORTUNITIES

The inquiries for American goods received by the National Association of Manufacturers from abroad will now appear in these columns. In order that the confidential nature of the inquiries may be preserved for the benefit of our members, the addresses of inquirers will not be printed in "American Industries," but the inquiries are numbered, so that members interested in communicating with any of the inquirers may obtain the addresses by writing to the Foreign Trade Department of the Association at 50 Church Street, New York, and mentioning the number or numbers whose addresses they may desire.

Where no language is mentioned, letters in English will be understood.

## ITALY

General hardware, tools, household articles, automobile supplies and industrial equipment. The former manager of the Milan branch of a large New York export house, advises that the New York concern has discontinued its branch in Italy and that he has just commenced business on his own account. He wishes to represent manufacturers. (197)

Fiber handling machinery for picking and cleaning agave fiber is of interest to a firm in Italy. (198)

## NORWAY

Ducks and denims for the manufacture of overalls are of interest to a merchant in Norway. (199)

Household refrigerators: automatic, iceless and ice making. A party in Norway wishes to receive catalogues and quotations. (200)

## MEXICO AND CENTRAL AMERICA

Picks, shovels, tubular steel wheelbarrows and similar equipment for Mexico. Agents wish to hear from firms not yet represented in Mexico. They state they work principally with the government. (203)

## DO YOU SHIP TO GREECE?

Members receiving orders, letters of credit or other communications from the "International Bank" or "S. C. I. R. Branche Maritime Chr. Rom-bis" of Piraeus, Greece, can obtain information of interest by communicating with the Credits Bureau of the National Association of Manufacturers, 50 Church St., New York City

Spectacles and optical goods of the cheaper grades are of interest to a firm of merchants in Honduras; all transactions to be on a cash basis. (204)

Cinematographic apparatus with all accessories, inclusive of the motor, operated by kerosene and which will give light for eight small lamps and for projection of film for a period of six hours. Correspondence in Spanish. (205)

## GERMANY

Dried apples, prunes, rice and similar lines are of interest to a firm of merchants in Germany. (201)

## WEST INDIES

Ink making materials, particularly for inks for leather; also bottles, brushes and all accessories for this industry. An inquirer in Cuba requests detailed information and prices. (206)

Canned goods, flour and flour products, glassware, toys and novelties; also ethyl chloride or chloride suitable for carnival purposes, are of interest to a broker and importer in Porto Rico. (207)

Combs, straw and felt hats garters and suspenders, belts, tooth brushes, neckwear and allied lines. A firm of manufacturers' agents in Porto Rico wish to add these lines to those they are now handling. (208)

Bead necklaces and stone studded hair ornaments are of interest to a merchant in Porto Rico. (209)

## ARGENTINA

Petroleum. One of the partners of an established Argentine firm is now in New York to make connections with American producers. The concern specializes in lubricating oils and they state that at present they have over 2,000 customers in the Argentine. An American iron works,

# WATER

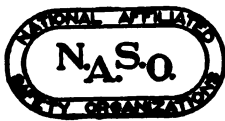
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## Safety Devices

### Of the National Affiliated Safety Organizations

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**Arc Welders' Helmets**—To shield eyes against intense rays of the electric light.

**Leggings**—To protect foundry-men's legs against molten metal.

**Shoes**—To protect workmen's feet against molten metal.

**Respirators**—To prevent inhalation of harmful dust or fumes.

**Knuckle Guards**—To protect hands when wheeling barrows or trucks through doorways or narrow passages.

**Ladder Feet**—To prevent ladders from slipping.

**Chip Guards**—To protect eyes from injury by chips thrown from lathe tools.

**Metal Danger Signs**—Portable, for use in shop, yard or street.

**Linen Danger Signs**—Various warnings of danger, for attaching to sign boards or partitions.

**Rules for Cranemen**—For guidance of crane operators and others.

**First Aid Jars**—Emergency outfit especially developed for industrial use.

**Stretchers**—Sanitary metal stretchers, which can also be used as cots.

**Shaft Protector**—Spirally wound mailing tubes, to prevent injury to persons if their hair or clothing should catch on shafting.

The NASO Safety Devices were developed through the co-operation and at the expense of the associations comprising the National Affiliated Safety Organizations—the National Association of Manufacturers, 50 Church Street, New York City; the National Founders' Association, 29 LaSalle Street, Chicago; and the National Metal Trades Association, Peoples Gas Building, Chicago.

The NASO Devices are all sold at practically cost price, but any profits derived from sales are utilized for further research and development work along safety lines.

Information may be obtained from the Secretary of the National Founders' Association.

from whom this inquiry was received, request that all correspondence be addressed in their care. (210)

**Mechanical punch** for cutting 3mm. cardboard in disc forms of 18.5 mm. diameter, with capacity of one disc per second, with a single driving pulley; machine for making greased wads of 12 or 16 caliber; machine punch for smaller capacity than above to imprint one face of cardboard disc on board of 1 mm. thickness. Complete data stating power required and cost C. I. P. Buenos Aires is desired. Correspondence in Spanish. (211)

**Automatic vending machines**, including machines for taking instantaneous photographs are of interest to the owner of an amusement park in Argentina. Correspondence in Spanish. (212)

**Construction materials** of all kinds, cement, hardware, kitchen utensils and similar lines. Agency connections are sought for Argentina and Uruguay. (213)

**Toilet preparations** of all kinds, perfumery, extracts and allied lines are of interest to a buyer in Argentina. Correspondence in Spanish. (214)

### BRAZIL

**Machinery** for manufacturing cotton hosiery on a large scale. A firm in Brazil desire catalogues, quotations and discounts for cash in New York. (215)

### CHILE

**Automobiles, accessories** and repair parts of all kinds. The inquirers are forming a new company and desire to hear from American manufacturers open for representation. Correspondence in Spanish. (216)

**Chalk making machinery** of the most modern type; also hydro-electric power equipment. Catalogues and detailed data is requested by a party in Chile. Correspondence in Spanish. (217)

### OTHER SOUTH AMERICAN COUNTRIES

**Scales** for weighing cattle, sheep and other livestock. The Municipal Council of a South American town desires to install such scales in the market place. Quotations with complete data, including freight charges to South American port are requested. Correspondence in Spanish. (218)

**Dry goods, crockery** and general merchandise are of interest to a merchant and agent in Dutch Guiana. (219)

**Flour, grain** and general provisions for British Guiana. The inquirers request prices, catalogues and samples, wherever possible; also terms of sale. (220)

### GREAT BRITAIN

**Machinery** for manufacturing nuts, hot forged and cold pressed, in square and hexagon shapes, sizes from about three-sixteenths inch up to and including one-half inch. A British firm of manufacturers request catalogues and detailed particulars, more particularly for machinery for cold pressed nuts. (221)

**Reaping machines, mowing machines** and horse hay rakes, the latter to throw off automatically. An engineering company desires catalogues, f. o. b. prices and shipping details on which to base freight calculations. (222)

### SPAIN

**Clinical thermometers, surgical and optical instruments** of all kinds for Spain. The inquirer is also interested in novelties and inventions of all kinds in these branches and desires catalogues and quotations. (231)

## Agency for Printing Machinery and Equipment in Northern India

We are prepared to accept exclusive selling agencies for the Northern India in the following lines: Printing Papers of all kinds, Printing Inks, Printing Machinery, Stationery and all other printing requisites. Samples and quotations together with terms of business are invited.

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Illinois, Aurora, 246 Cedar Street  
Mo., St. Louis, 1445 Syndicate Tr. Bldg.  
Missouri, Kana. City, 312 Elmhurst Bldg.  
Neb., Omaha, 504 First Nat. Bk. Bldg.  
Okla., Tulsa, 425 Iowa Bldg.  
Colo., Denver, 932 Equitable Bldg.  
Calif., San Francisco, 115 Mission St.  
Calif., Los Angeles, 228 W. 9th St.  
Calif., San Diego, 215 Timken Bldg.  
Wash., Spokane, 816 Mohawk Bldg.  
Wash., Seattle, 2021 L. C. Smith Bldg.  
Wash., Tacoma, 502 Provident Bldg.  
Virgin Islands, St. Thomas, Main Street  
Can., Montr'l, H. P. Ross, 180 St. Jas. St.  
Cuba, Havana, Victor C. Mendosa  
Holland, The Hague, Ruhaak & Co.  
France, Bordeaux, 53 Rue Borie

Other  
Foreign and  
American  
Agents  
Wanted

## AMERICAN VALUATION CONVENTION

(Continued from page 44.)

might say to you just now that you as manufacturers will have just as hearty a welcome as the importing interests."

Colonel John P. Wood, of Philadelphia, president of the American Woolen Manufacturers' Association, and chairman of the resolutions committee, said:

"The National Association of Manufacturers has done the greatest service to the cause in the holding of this convention, but the important thing that remains to be done is for every man who has attended this Convention to return to his home community, and see that no step is left untaken for the purpose of educating the forces in that community which can exercise an influence upon the decision of this question."

Charles M. Schwab, chairman, Bethlehem Steel Corporation, in a letter, said:

"To-day we are confronted with a basic weakness in our tariff policy which is affecting, injuriously, the whole industrial fabric of the nation. Fluctuations in foreign exchange are playing havoc with wages, prices and orders. Because our present tariff laws were framed at a time when foreign moneys were normal, they are to-day actually inoperative as far as protecting labor and industry or yielding revenue are concerned."

"To-day the whole world seeks our coöperation and assistance. We, as Americans, have listened always to the pleas of the people of Europe but let us not forget that a prosperous America can help the world but a prostrate America cannot. Until we can produce, we cannot help."

"Congress is struggling to enact a tariff bill which will enable us, as a people and a nation, to work for ourselves, our country and the world, but no tariff will build a foundation for prosperity, which does not remedy the hole in our present laws which the fluctuations in foreign exchange have torn in it."

"We have American standards in everything but our tariff. To-day, in my opinion, the hour has come when we should put American standards in our tariff laws. The simple and effective way of doing this is by substituting American standards of value for the present archaic standards of foreign values. This is the essence of American valuation which will do for our industries, for our people, for our business, exactly what the gold standard did for our currency. It will prevent the cheaper currencies of the world from saddling us with economic stagnation."



## Develop Your Business and Export Trade in Canada

If you are considering the establishment of your industry in Canada, either to develop your Canadian business or export trade, you are invited to

**Consult the Development Branch of the Canadian Pacific Railway**

An expert staff is maintained to acquire and investigate information relative to Canadian industrial raw materials. Any information you may require as to such raw materials as well as upon any practical problems affecting the establishment of your industry including markets, competition, labor costs, power, fuel, industrial sites, etc., will be given free of charge or obligation.

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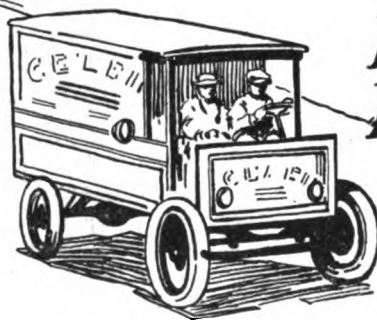
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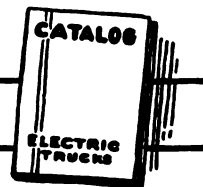
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Vol. XXII

MARCH, 1922

No. 8

## American Valuation vs. Importers

*Importers are spending large sums to make the public believe that what they seek is for the general welfare of the country but, meantime, they are deriving large profits on foreign values*

*Written especially for AMERICAN INDUSTRIES*

**By Hon. JOSEPH W. FORDNEY**  
**Chairman, House Ways and Means Committee**

**O**PPPOSITION to the pending tariff measure is readily traced not to the American producer, not to the man who deals chiefly in American-made products, but to the man who produces or purchases abroad and the man whose chief interest is in bringing the products of cheap foreign labor to the American market.

Those interested in importing enterprises are well organized and spending large sums of money in an effort to make the public believe that what they seek is for the country's general welfare. The importer is working to delay or defeat tariff legislation, and to accomplish his end he is centering his criticism on the American valuation plan, without which, on account of present chaotic world-wide conditions, it will be most difficult to write a tariff measure at this time that will

afford the slightest degree of protection against countries where protection is most needed.

In opposing the American valuation plan the importer says that under its operation he will be obliged to materially increase prices. Boil down his propaganda and you will find he presents no argument to show the principle is wrong. His complaint is that the rates are too high. Neither of his contentions is true.

If we are to have stable tariff rates, *ad valorem* duties must be predicated on a stable basis. Foreign values are the very personification of instability, and it is on the foreign value that *ad valorem* rates are now assessed. The manufacturer in the United States wants reasonable, stable, and consistent protection upon which he can depend. He wants protection against the country of low production costs

rather than the country of high production costs. He wants the American valuation plan to prevail. The importer welcomes the extreme fluctuations and the instability of the present system. He welcomes the present conditions which so harass his competitor, the domestic producer, and the man who deals in the product of American labor. Where production is most needed by the domestic producer, the importer is most anxious to have the rate abnormally low, for it affords him the opportunity to displace the American-made product with a foreign article. With a wide margin to work on he can close the American factory. He wants foreign valuation to be the basis for levying *ad valorem* duties. He wants it with all its inequalities, its fluctuations, and its stability. In it he sees the opportunity for excess profits, and the more

### Twenty-Seventh Annual Convention of the National Association of Manufacturers

The National Association of Manufacturers will hold its Annual Convention on Monday, Tuesday and Wednesday, May 8, 9 and 10, at the Waldorf-Astoria Hotel, New York City.

unscrupulous importer welcomes the opportunity it affords for fraudulent undervaluations.

In a population of 107,000,000 there are, in round numbers, 2,000 importers. There are thousands of corporations in the United States, and a very large percentage of those corporations are manufacturers. There are many individuals and co-partnerships that are manufacturing, and the 2,000 importers whom I mention are spending a large sum of money in advertising in opposition to American valuation.

Too little is known regarding the importer and his margin of profits; his invoice, generally speaking, is not open to public inspection. However, I have some information from the invoices from an importer. It squarely discloses the abnormal profits an importer can exact. The range of prices in various countries on comparable articles is glaringly great, and under the present system of assessing duties on foreign values the amount of duty collected on an article from one country differs widely from the amount of duty on a comparable article imported from some other country.

Last year we received imports from 111 countries or governments or subdivisions of governments. Nearly every one of the 111 governments had a different cost of production and each and every country on a comparable article paid a different amount of duty on that article when landed in the United States. Such a law is inequitable.

There would be some justification in the present system if the larger duty were assessed against a country where production costs are the lowest and protection is most needed. Unfortunately however, the present

system operates in a converse manner. Where the foreign value is abnormally low and protection is most essential, the amount of duty is abnormally low, but where the foreign value is high and protection is needed the least, the duty is correspondingly high.

#### Undervaluation Temptation

Aside from correcting the troublesome question of undervaluation, the one big purpose for assessing *ad valorem* duties on values in the American market is to make the amount of duty on a given commodity uniform, regardless of the country of origin or fluctuations in the foreign value. How obviously unfair it would be if your local taxes were assessed on cost rather than actual value. Let us suppose two men had adjoining lots, that the one acquired his through a forced sale at one-half value, and that the other man paid as much for his lot as the lot was worth. For the purpose of taxation would it not be glaringly unfair to value one lot at \$5,000 and the other at \$10,000? Would not the system be especially objectionable if the assessor through lack of means of verification was obliged to rely almost wholly on the statement of the property holder as to the purchase price, and thus an unscrupulous taxpayer could incorrectly state the purchase price and avoid a portion of the tax which the honest taxpayer would be assessed? That, however, is about the way the assessing of *ad valorem* duties on foreign values operates.

When the foreign value is low the duty is low, and when the foreign value is high, the duty is correspondingly high, and in addition the temptation for undervaluation is ever present to the unscrupulous importer.

Under the operation of an adequate tariff measure the foreigner and importer will have less to say in regard to prices in the American market. He will have less opportunity to exact abnormal profits, for domestic industry will be encouraged and healthy domestic competition will influence prices in the United States. It is fair to the man who has something to sell and fair to the man who has something to buy. It means increased domestic production with labor well employed. It opens the gate to prosperity.

American valuation is the logical solution of the present-day economic conditions. Where a wide margin exists between the domestic and foreign production costs a nominal duty based on American valuation will be equivalent to a much higher rate based on the foreign value; but it is in cases of this kind that the importer is now exacting abnormal profits. It is in cases of this kind that a larger measure of protection is needed. It is in cases of this kind that a duty based on the foreign value is so small that it is no benefit to the American industry and of little benefit to the United States Treasury.

Where an increased duty is required American valuation tends to supply it, and where an increased duty is not required American valuation does not give it. If the foreign wholesale selling price should be as high as the American selling price, a duty on American valuation would be no higher than the duty on foreign valuation, and as rates based on American valuation in all cases would be lower than if based on the foreign value, it is seen that under the American valuation proposal, where protection

(Continued on page 46.)

## The Urge For American Valuation

*Reported action of a committee of protest against the referendum and announcement of rate is clearly shown contrary to facts in a complete statement on this subject by the National President*

**I**MMEDIATELY following the special convention of the National Association of Manufacturers, held in Washington to urge Congress to pass a tariff bill immediately and to demand the incorporation of the American valuation principle of assessing duties, there was given to the public press and circulated among members of the national association a leaflet, entitled, "Report of the Committee Acting for Members of the National Association of Manufactur-

ers Opposed to American Valuation." With the issuing of this pamphlet statements were made that a report of protest had been filed at the convention and that further protest had been made because the National Association of Manufacturers had refused to give out the actual figures on the American valuation referendum. It was stated that the report of protest was filed on January 31, the second day of the convention.

The facts are that John E. Edger-

ton, president of the National Association of Manufacturers, gave out on January 30, the first day of the special convention, the complete figures and facts regarding the referendum. No such report of protest was filed on either day of the convention. Moreover, of the seventy names given as members of the committee, twenty are not members of the association; and of the others, the company named at the head of the list voted, not against American valuation, but in favor of it;



and at least one other company has repudiated the so-called committee.

The situation was clearly explained in a statement given out by Mr. Edgerton. The statement in full follows:

"The National Association of Manufacturers recently took a referendum of its members to ascertain whether they were in favor of the American valuation principle of assessing tariff duties, as embodied in the Fordney tariff bill, or whether they were against it. The ballots received showed that the percentage was 77.7 in favor. The association then called a special convention in Washington to urge Congress to take some immediate action on the tariff, to end the uncertainty regarding this vital subject, and to urge the incorporation of the American valuation principle in any tariff bill passed.

"A group of manufacturers whose names are given as members of a 'Committee Acting for Members of the National Association of Manufacturers Opposed to American Valuation' has caused to be given to the press copies of what purports to be a report of protest filed at the special tariff convention in Washington. This report, said to have been filed, makes objection to the attitude of the association in 'refusing to publish the number of ballots cast out of the total number composing members of the association.' The tenor of the statements is an accusation of unfairness.

"We regret that the absolute facts in regard to the referendum on American valuation, the supposed filing of a report of protest, and the formation of the minority committee, make it necessary for us to issue any statement on the subject.

#### Twenty Not Members

"In the first place, this 'Committee Acting for Members of the National Association of Manufacturers Opposed to American Valuation,' is supposedly made up of 70 members of the National Association of Manufacturers. Of the 70 names given, our records show that 20 of these gentlemen are not members of the association, having resigned prior to this occasion, or having been dropped for non-payment of dues or for other reasons. Of the 50 members in good standing, we find that there is some question as to the authority for putting some of these names on the list. At least one of them has already repudiated the committee on his own initiative; and at least one other voted, not against American valuation, but in favor of it. As to the remainder of the 50, 26 of them did vote against valuation, but 22 others evidently took little or no interest in the question, as they cast no vote at all on the ques-

tion so that this supposedly representative minority committee had only 26 votes out of 50.

"As to the statement that a report of protest was filed at this special convention in Washington on January 31, the facts are: Neither this committee, nor any other committee, nor any individual opposed to American valuation filed any report whatsoever at the convention. Those who were opposed had declared they would bring an army to Washington to oppose American valuation. We made it known in advance that we would be glad to allow them to be heard, although the convention was not to be a debate on the subject. The army of protest did not materialize. Only one man appeared to speak for the opposition and we allowed him one-half hour. That man represented the Fair Tariff League. He had his complete argument, and after the convention he came to me and expressed his thanks for the courtesy shown him. He volunteered the statement that he had received full and fair consideration. When the vote was taken on the American valuation resolution there was not a single vote in opposition.

#### Public Announcement Made

"As to the association refusing to make public the number of ballots cast, the facts are: I myself, as president of the association, gave out publicly in my address on January 30, the first day of the convention, the figures and details to show that everything had been done to have the referendum fair. When we sent it out we accompanied it with a short argument on each side of the question; nothing else. The arguments were prepared on request, by a conspicuous advocate and a conspicuous opponent of the principle, neither of whom was connected with the offices of the association. We were compelled by the exigencies of the situation to stop and count the ballots even before they had ceased to flow into the offices of the association. They were counted by a committee of members of the association who were not connected with the office.

"The results showed that a total of 1,318 ballots had been cast at the day of counting, of which 1,023 were in favor of the principle, 274 opposed and 21 defective. In percentage the result is equivalent to 77.7 per cent for American valuation, 20.7 per cent against and 1.6 per cent defective. Since then there have been a few additional ballots, 24 more in favor, five more against and six more defectives. The balloting figures were given out on January 30 and the supposed report in protest is supposed to have been filed on January 31.

"It is to be noted that only a little more than 25 per cent of the entire membership of the association voted at all. This was undoubtedly due to several things. In the first place, many manufacturers, as well as other citizens were not at that time familiar with the question. The overwhelming majority of American manufacturers have given little study to the tariff question because of the fact that in the past domestic markets have been sufficient to absorb their products and they have done no exporting. Other large numbers of our members had already expressed their affirmative interest through their trade, local, or state associations, and they felt no necessity for voting on this occasion.

#### Great Numbers in Favor

"Hundreds of others have since written to express their approbation of the principle because for various reasons they did not vote before the day of counting. Then, too, it is a well known fact that the average man will go several times as far and sacrifice several times as much to vote against something or somebody as he will to vote for something or somebody. It is safe to conclude therefore, that practically all members of the association who are opposed to American valuation exercised their rights of franchise on this occasion.

"The National Industrial Council, which is composed of organization memberships and which is the twin organization of the National Association of Manufacturers, composed of individual memberships only, has gone on record as favoring American valuation. In the council there are considerably more than 300 trade, national, state and local industrial associations comprising an aggregate membership of more than 50,000 manufacturers. At the semi-annual meeting of the council in October last, which was attended by 36 presidents and as many secretaries of state manufacturers' associations, a resolution in favor of the American valuation principle was unanimously adopted. We have mountains of evidence therefore, that no less than 90 per cent of all the manufacturers of this nation who know the difference between foreign and American valuations are enthusiastically in favor of their home brand.

"The National Association of Manufacturers is supporting American valuation because we believe it is one of the sanest, surest ways of upholding the fundamental principles of our great industrial republic. We believe in it, selfishly if you will, because it will give our industries the protection they have had for all the years in the upbuilding of our wonderful industrial republic,

and the protection that they must continue to receive if we are to maintain our high place in the industrial sun to-day.

#### Will Not Protect Great Profits

"Many of the opponents of American valuation do not believe in it, also selfishly if you will, because it will not protect them in their great profits. We have numerous proofs that large quantities of low-cost articles are being imported into this country, and are being valued under even the foreign value; Government officials say that last year there were something over 6,000 cases of undervaluation. Moreover, these goods are sold here, not at a price that would give an excellent profit over the foreign value, but are being sold at the American market value, bringing anywhere from 50 per cent to 1,000 per cent profit.

"As for the argument of American valuation, it comes down mainly in the question of protecting American industries, as we have done for decades, against the flood of low-cost goods from other countries, and we cannot see where any person interested in the welfare of our own country and the prosperity of its people can find any but a selfish reason to oppose it."

Aside from hundreds of letters from individual companies that have written to Mr. Edgerton supporting American valuation and urging its incorporation in any bill that Congress passes, the following industrial and commercial associations, in all parts of the United States, are in favor of American valuation:

American Paper and Pulp Association, New York; Employers' Association, Fort Wayne, Ind.; Asbestos Manufacturers' Association, Ambler, Pa.; Industrial Association of Lower Naugatuck Valley, Derby, Conn.; Knitted Outerwear Manufacturers' Association, Milwaukee, Wis., and the American Gear Manufacturers' Association, Philadelphia.

American Hardware Manufacturers' Association, New York; The American Mining Congress, Washington; American Association of Advertising Agencies, New York; Board of Trade, Warwick, N. Y.; California Manufacturers' Association, Oakland, Cal.; Board of Trade, Amsterdam, N. Y.; Manufacturers' Association of Bridgeport, Conn., and the Manufacturing Chemists' Association of the United States, Boston.

National Association Glue and Gelatin Manufacturers, New York; National Drug Label and Box Manufacturers' Association, St. Louis; Pyroxylin Plastics Manufacturers Association, New York; Sanitary Potters' Association, Trenton; Sheet Metal Ware Association, New York;

Tile Manufacturers' Credit Association, Beaver Falls, Pa.; United States Potters' Association, East Liverpool, O.; Connecticut Chamber of Commerce, Bridgeport, Conn., and the Geneva Chamber of Commerce, Geneva, N. Y.

Illinois Manufacturers' Association, Chicago; Pittsburgh Chamber of Commerce, Pittsburgh; Portland Chamber of Commerce, Portland, Ore.; Syracuse Chamber of Commerce, Syracuse, N. Y.; Chamber of Commerce, Grand Island, Neb.; Sandusky Chamber of Commerce, Sandusky, O.; Rochester Chamber of Commerce, Rochester, N. Y.; Mansfield Chamber of Commerce, Mansfield, O.; Lynn Chamber of Commerce Lynn, Mass., and the Detroit Board of Commerce, Detroit, Mich.

Philadelphia Chamber of Commerce, Philadelphia; Amsterdam Chamber of Commerce, Amsterdam, N. Y.; Louisville Board of Trade, Louisville, Ky.; Marinette Chamber of Commerce, Marinette, Wis.; Commercial Club, Menominee, Mich., and Haverhill Chamber of Commerce, Haverhill, Mass.

Saginaw Board of Commerce, Saginaw, Mich.; Reading Chamber of Commerce, Reading, Pa.; Chamber of Commerce, West Palm Beach, Fla.; East Liverpool Chamber of Commerce, East Liverpool, O.; Middletown Chamber of Commerce, Middletown, Conn.; Business Men's Association, Derby, Conn., and the Jersey City Chamber of Commerce, Jersey City, N. J.

Manufacturers' Association of Connecticut, Hartford, Conn.; Pacific Coast Chrome Producers, San Francisco, Cal.; Willamette Valley Flax and Hemp Growers' Co-operative Association, Salem, Ore.; Synthetic Organic Chemical Manufacturers' Association of the United States, New York; Co-operative Dairies' Association, Owatonna, Minn.; Epsom Salt Group of the United States, Cincinnati, and the Actors' Equity Association, New York.

American Lump Pumice Producers, Pasadena, Cal.; Southwest Peanut Shellers' Association, DeLeon, Tex.; Southern Tariff Association, Houston, Tex.; Talc and Soap Producers' Association, Baltimore; Umbrella Manufacturers' Association, Baltimore; Association of Collar Manufacturers, Troy, N. Y., and the Association of American Manufacturers of Imitation Pearls and Specialties, New York.

International Monumental Granite Producers' Association, Boston; National Building Granite Quarries' Association, Boston; Granite Paving Block Manufacturers of the United States, Boston; National Association

of Employing Lithographers, Rochester, N. Y.; Wilmington Chamber of Commerce Wilmington, Del.; National Bottle Manufacturers' Association, Elmira, N. Y.; United States Lace and Embroidery Manufacturers' Association, West New York, N. J., and the Allied Lace and Embroidery Manufacturers' Association, West New York, N. J.

The Association of Tin Plate Manufacturers; Wall Paper Manufacturers' Association, New York; American Brass and Copper Statistical Exchange, Pittsburgh, Pa.; Latch Needle Manufacturers' Association, Torrington, Conn.; National Ornamental Glass Manufacturers' Association of the United States and Canada, New York; American Protective Tariff League, New York; American Valuation Association, New York, and the American Vitrified China Manufacturers' Association, Wheeling.

National Paper Box Manufacturers' Association, Philadelphia; Knit Goods Manufacturers of America, Utica; News Print Manufacturers of the United States, New York; Colorado Confections Association, Denver; Colorado Metal Mining Association, Denver; Colorado Electric Light and Railway Association, Denver; Denver Typothetæ, Denver; Colorado Manufacturers' and Merchants' Association, Denver; Colorado Industrial Council, Denver.

National Committee of Granite Industries, Boston; Bureau of Envelope Manufacturers of America, New York; National Association of Marble Dealers, Washington; California Olive Association, Los Angeles; Quick Silver Industries, Calistoga, Cal., and the Idaho Woolgrowers' Association, Boise, Idaho.

#### Real Reasons to Worry

These concerns alone employ hundreds of thousands of men. As an indication of the way the low-priced goods from other countries are affecting American manufacturers, the following excerpts are given:

A toy manufacturer says: "We have manufactured toys for 46 years and our factory in this line is closed; all buyers heretofore buying our goods are in Europe or going to Europe. We cannot compete with Europe. Their prices are one-third of our costs."

A needle manufacturer says: "It is our belief that tariff based on anything but American valuation will close our factories."

A manganese producer says: "We believe there are sufficient manganese and manganese ores in this country to take care of all requirements of the manufacturers of manganese (Continued on page 42.)"

# The Nation's Wealth And Income

*American manufacturing industry at the present time is immensely overbuilt, implying economic troubles ahead; while there is considerable misconception regarding the burdens war imposed upon us*

*Written especially for AMERICAN INDUSTRIES*

By **WALTER RENTON INGALLS**  
Consulting Engineer, New York

**O**UTSIDE of the relatively few persons who are both well-informed and thoughtful, the common idea among people all over the world is that the United States waxed very rich out of the war. The prevalence of this idea—which is erroneous—is harmful in several ways.

1. Europe is poor and in great need, especially the countries of the Continent. Their peoples are looking to us for help, and there is a growing disappointment over our failure to give it. This is passing into mistrust and even hostility. There is a general misconception as to the burdens that the war imposed upon us and a belief that our wealth has been enormously increased and that our credit is inexhaustible. Why then do we not employ it for the rehabilitation of Europe?

2. The same notions about vast increase in our wealth and credit prevail among our own people and lead them to extravagance in living. If we have gained enormously in wealth, why not enjoy it?

3. The ex-soldiers, feeling that they at least did not participate in any increase in wealth, are demanding that matters be equalized by the grant to them of a bonus, or "adjusted compensation," which it is estimated will call for somewhere between two and five billion dollars.

There are other evils resulting from the fallacy, for fallacy it surely is, but the above outlines their nature. The subject is of such immense importance that I was led into an economic study of our national position. The results of this have just been made available in the form of a book of 320 pages, entitled the "Wealth and Income of the American People" (published by the G. H. Merlin Co., York, Penn.). The editor of AMERICAN INDUSTRIES has asked me to contribute an article summarizing this book. That I can not do very well, for the book itself is a summary. I shall therefore be limited to telling something about it and its subject.

In 1915 and up to the time the United States entered the war we did indeed profit at the expense of Europe.

We sold our surplus stock of goods and the use of our manufacturing plants and labor upon a steadily rising market. In this way we gained about five billion dollars. Our national wealth at the end of 1916, which I estimate in great detail, aggregated about 268 billion dollars. Previous to 1915 we as a people had been earning about 34 billion dollars per year, out of which we paid about 27 billion for living expenses and saved about seven billion. During 1915 and 1916 we maintained approximately the same rate in our domestic economy and made something extra by war profits.

## War Changed Conditions

With the entry of the United States into the war conditions changed completely. We then began to suffer the same kind of economic and financial losses that Europe was suffering, barring military ravage. Any idea that we did make, or could make, money under such conditions is obviously preposterous. If it were true, it would clearly follow that we ought to have a great war on our hands all the time; but such a formula for getting rich would be ridiculous, of course.

The only way whereby we might have held even to our pre-war rate of accumulation of wealth was through the stimulation of supernormal effort in production, but as I show in my book this did not take place. Let it be noted that I am not here speaking of individual industries, in many of which there were extraordinary accomplishments, but of American industry as a whole. We did not materially increase our production of raw materials nor our exercise of labor, but we did change greatly the nature of our production and the direction of our efforts. Manifestly, therefore, the elements for increase of wealth were lacking.

My inventory of the physical wealth of the United States at the end of 1920 shows a gain of about 4½ billion dollars, besides which we gained about 17.8 billion in our external accounts, which however must be regarded as decidedly doubtful assets in large part. As to our physical assets, the average

per head of the population was less at the end of 1920 than at the end of 1916. Worse than that, the gain of 4½ billion is to be found mainly in automobiles, furniture, jewelry and luxury goods, while in capital goods there was actually a decrease in the aggregate.

I must pause here to make an explanation, for unless anyone reads my book wherein conditions and results are described and analyzed with much detail, he will interpose the natural inquiry: "How about our industrial plant? Did we not put billions into extensions and have we not still got it?" To both questions my reply is "Yes." But to a very great extent we are destined to throw it away and write it off. An industrial plant is of no value if there be no use for it, and unfortunately we have an enormous surplus for which there is no use, either present or prospective. The situation of American manufacturing industry at the present time is that it is immensely overbuilt. This implies economic troubles ahead that in this brief article I have not space even to indicate.

The fact is that among our major industries there are only a few that are in good position with respect to physical development. The textile industry appears to have escaped overbuilding. Anthracite coal mining is not overdeveloped. Electrical manufacturing and petroleum refining have been greatly extended during the last five years, but probably with sound justification.

But when we turn to other industries we find overbuilding ranging from 50 to 100 per cent, with the shipyards in the worst position, and automobile manufacturing probably next.

## Wrote in Inflated Terms

This has been a digression, although a very important one. Returning to the thread of this article, the illusion of great prosperity and huge gain in wealth on the part of the American people up to the end of 1920 was due (1) to our writing up our business in terms of inflated dollars and (2) living on our principal. How we did the latter thing let me illustrate. The people, enchanted with automobiles, put their

money into them instead of into houses. New house building fell down to about the rate that merely replaced the loss by fire and obsolescence, and the value of all house property became impaired by failure to keep it up adequately. We did not worry much about the housing situation so long as we were putting into use the normal surplus of houses, but when, in 1920, that surplus was exhausted conditions became acute. Here we were simply living on our fat. So with other things.

I have heard highly intelligent business men refer to the increase in savings bank deposits as reflecting increase in the national wealth. That is not so. For such items do not appear in the national inventory at all. They reflect division of the wealth among the people, but not necessarily any change in the total. Now, although from 1916 to 1920 the wealth per person of the American people did not increase (if we disregard the foreign indebtedness to us) there were very great changes in the division of wealth among ourselves. This is shown by the great increases in the deposits in savings banks, in the investments by life insurance companies and by the acquisition of large holdings of liberty bonds and victory notes by small investors.

#### Claims Upon Country's Wealth

All of these forms of investment are claims upon the wealth of the country. The wealth not having increased, it follows from the increase in such investments that there was an important shifting either in ownership of property or in obligations based upon ownership. Again I lack the space to go into this subject here, but in a general way I may say that the farmers of the country, notwithstanding their present complaints, distinctly improved their position in the matter of physical wealth. The small investors, who comprise farmers, small merchants, and the more thrifty among the wage earners, improved their position. Unbelievable as this may be by many people the great losses were experienced by the business interests of the country. But to anyone who will pay attention to the facts this conclusion is unescapable.

There were similarly great changes in the division of the national income. I explained somewhat of the nature of this in my article in *AMERICAN INDUSTRIES* last month about the recent report of the National Bureau of Economic Research. Whereas in pre-war times labor got something like 75 per cent of the produce of industry, only about 25 per cent accruing to management and the ownership of property, the share of labor rose in 1919-20 to 80 per cent or more.

No one should deprecate labor getting all that it can safely, but when it

does so at the expense of the national welfare, which includes its own, there is ground for grave concern. If labor in securing an increased percentage should save thereof just as other people did formerly there would be no national harm, but when an increased accrual to labor is squandered the saving capacity of the nation becomes impaired, which means that we can not have the houses and transportation facilities that we need.

#### Contracts Production

Moreover, the unbalancing of conditions in this way has the serious consequence of causing production itself to contract. Thus, the result is that although labor can temporarily exact an increased share of the produce of industry it is not in its own interest to do so, for it is bound to find that it will be better off with 70 per cent of a large income than with 90 per cent of a small one.

Exactly this last condition appears in the present situation in the coal mining industry, wherein there is a controversy that threatens serious labor troubles in April. The miners say that they can not consent to any wage reduction alleging that they can not live for any less than their present earnings. The operators, on the other hand, say that with present wage rates then can not sell enough coal to keep their mines going. The miners are no doubt telling the truth from their standpoint, but they fail to see that the reason for their adversities is their own short-sightedness in stubbornly maintaining their wage rates. In other words, they would be better off with 250 days of work per annum at \$3 per day than with 100 days of work at \$6 per day.

All of these conditions have to do very directly with the economic readjustment that the United States is now experiencing. Consideration of the numerous fundamental conditions, which are set forth in my book, leads us to see what may be expected in a general way. I think that the readjustment will be a matter of a good many years. It will be prolonged by the very things that we have done to ameliorate the severity, such as the Federal Reserve Banking Act, which has helped us easily through a major crisis, but in doing so has *ipso facto* prolonged the period.

The readjustment is proceeding by stages, not sharply marked, but rather overlapping; developing *en echelon*, so to speak. We had first the stage of declining prices for raw materials, starting about the middle of 1920. It was from this that the farmers and miners suffered acutely. Next, coming very quickly, was the stage of financial crisis, characterized by the

predominant feature of "frozen credits." We are now nearly through with the stage of declining markets in raw materials, and have passed the worst of the stage of financial readjustment although it still lacks a good deal of being completed. We have entered upon the stage of labor readjustments, but have not yet got very far with it for the wages for labor are still very high, being in many industries but little short of the rates of 1919-20. The development of this stage of readjustment will probably become more pronounced in the course of this year, but it is being retarded by the same exercise of tempering influences as there was in the handling of the financial situation.

After the labor readjustment there is still to come the physical readjustment, which will be closely associated with the matter of overbuilding of manufacturing capacity upon which I have already dwelled. As I have already said these several stages overlap. There are signs now of the beginning of the stage of physical readjustment. One of the forms in which this will exhibit itself is consolidations, which will not be based upon the expectation of making a lot of money by combining forces, but will be rather for the purpose of reducing overhead costs, dispensing with unnecessary personnel among the working forces, and in one way or another getting rid of surplus plant.

#### Will Have to Change Laws

In a great many cases there will be efforts to conceal through stock market maneuvers what will be in effect an actual writing off of capital losses of industries as a whole. After we are well along in the stage of physical readjustment we may expect the beginning of the stage of political readjustment. It will inevitably be found that a good many of our laws will have to be changed. Among other things I foresee the necessity for a broad revision of the Sherman Law. It will, however, be a long time before the people of the United States will see that the force of circumstances has driven them to such things. Before we come to that we shall have agrarian legislation, soldier bonuses and other futile expedients and experiments, some of which may be very irritating, and some very harmful.

Let us now look facts squarely in the face. In the years immediately before the great war the American people used to earn about 34 billion dollars per annum, out of which they saved about seven billion, and as a part of the national living expense of about 27 billion, expended about 2.7 billion, or 10 per cent, for the expense of govern-

(Continued on page 47.)



# Turning Our Sands Into Arable Land

*Huge reclamation projects of the United States have added many billions to the nation's wealth and provided prosperity for thousands of home seekers—remarkable changes in fourteen states*

*Written especially for AMERICAN INDUSTRIES*

By D. M. EDWARDS

(Photos by Ewing Gallaway)

OF all the throbbing machinery of the United States Government, perhaps no single unit is so little known or so little read about by the general public as the tremendous organization called the Reclamation Service, which comes under the direction of the Secretary of the Interior.

Some persons might recall that the Department of the Interior has charge of Indian lands, or that it supervises the granting of homestead sites in the somewhat vaguely situated "West." Citizens, more traveled or more diversely read, might be able to recall that the Department has charge of the great national parks that are to be forever a memorial to the unsurpassable beauties with which a kindly Providence has endowed the United States.

But there would be few who would mention that under the direction of the Department is a Service that is turning arid wastes into glowing, healthy farms; dotting the vast deserts with villages and populating a section that heretofore had been considered no man's land with a prosperous, happy and contented people—farming people who have a future before them of prosperity

and plenty. There would be very few who could tell you that during the last two fiscal years alone this Service added more than \$150,000,000 to the national wealth; built something like 800 miles of canals and hundreds of buildings; and established more than 300,000 persons in permanent agriculture.

Officially called by an unromantic and somewhat indefinite term, this

Service is providing a business and a stable future for thousands of the young soldiers who have returned from overseas. It is guiding venturesome settlers and pioneers along the right road for successful farming. It is growing on land, some of which used to produce little more than cactus and mesquite, millions and millions of dollars worth of products of all kinds—cotton, fruit, barley, corn, melons,

wheat, beans, berries, hay and alfalfa among the numerous other things.

The Reclamation Service is a human undertaking. It is designed to carry on where the Creator left off—to put the blossom of the honeysuckle and the color of the rose and all the sweet-smelling verdure of an Eden into the arid desert. It does this by the sometimes simple, sometimes difficult and hazardous expedient of bottling up rivers that waste their substance on the mountain reek, and spreading out the precious liquid upon the widespread valleys that theretofore have been of very little service to humanity. And all that these valleys needed to be productive for civilization was the stimulating draught of fresh water.

'Way back in 1902, the Government began the



Wonderful Barley Crops in once arid valley



Reclamation Service. It is one of those important institutions which start, forge ahead and do things with very little fuss or feathers. People in the Eastern part of the United States—and it is safe to say the same applies to thousands and thousands of people in the middle West and West—knew or know little about it. Around about the end of 1910 and the first part of 1911 the world began to hear something of the Roosevelt Dam. We saw pictures and marvelled at the gigantic undertaking. But few visualized what a tremendous thing it was to prove for the country; that the Roosevelt Dam was merely one of many enormous dams to be constructed by this Service to make the farms of the Farwest productive and profitable. We knew that it was in Arizona and that it was part of some sort of an irrigation system which somehow made the farms produce where they never had produced before; that helped to make power where there had been no power; that was to prove a great thing for agricultural development.

If you pick up a map of the Reclamation Service in the Western States, you will notice that the Roosevelt Dam is just one of a score or more of black splotches which indicate where the Service is putting in these irrigation plants. The black splotches appear in fourteen of the states of the West and Northwest—Arizona, New Mexico, California, Colorado, Utah, Nevada, Wyoming, Idaho, Oregon, Montana, North Dakota, South Dakota, Nebraska and Texas.

Perhaps the most important of this great net work of plants—because it was the first completed—and one of the largest, is the Salt River Project, Arizona, in which is included the Roosevelt Dam. The Salt River Project gathered, in a parched and barren valley, the waters from small streams and small watersheds. It banked them in a great lake and then sent these

waters radiating in all directions to irrigate and make productive soils that heretofore had produced nothing but gnarled mesquite and cactus. The Project was started in 1902 when the preliminary surveys were made. Within the next two years work was actually begun and in October, 1906, the first intake dam for a power canal was completed. In May, 1907, the Service began its first irrigation. Then the Granite Reef Dam was completed in August, 1908. Then came the South Canal, the Eastern Canal and the great Roosevelt Dam, which carried with its agricultural value a widespread sentimental value. It was completed in Feb-

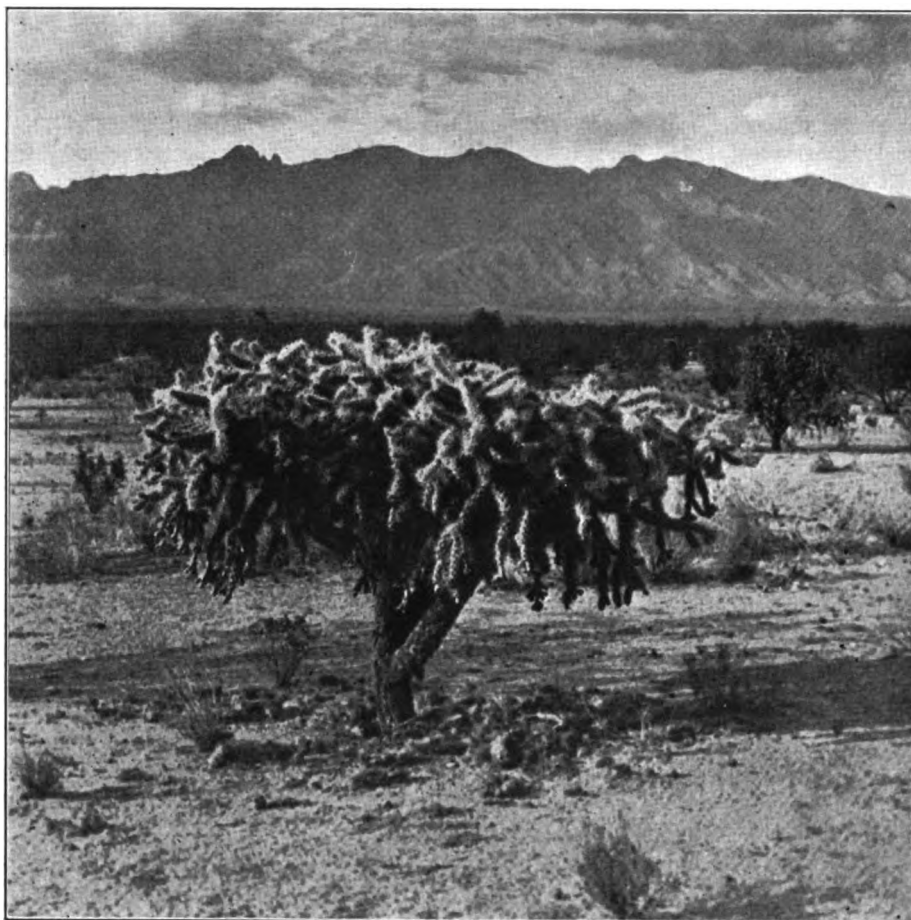
year came a reconstruction of the Arizona Canal and the McQueen pumping plant. The greater part of the whole Salt River project was turned over to the water users November 1, 1917, and two years later, or by June 30, 1919, this entire project was complete.

Up to the present the Salt River lay-out has cost \$10,548,253 but the value of the crops irrigated during the one season of 1918 alone was \$18,188,800. During the year ended September, 1918, the area produced 47,000,000 pounds of cotton; 35,000,000 pounds of fruit; 42,690,000 pounds of grain-sorghum; 3,900,000 pounds of potatoes; 1,970,000 pounds of oats; 600,-

000 pounds of beans; 220,600 tons of alfalfa; 1,600,000 pounds of barley; 50,000 crates of lettuce; 250,000 pounds of watermelons; 440,000 crates of canteloupes; 1,360,000 pounds of wheat and 570,000 pounds of grapes.

By this it will be seen that the production of cotton has been given a tremendous stimulus by this method in the Salt River project alone. The development undoubtedly will be as marked in the other sections as they near completion. Cotton planting started in the Salt River territory centering at Phoenix, Arizona, in March. The seed estimates show that there will be about 300,000

acres of Pima or American Egyptian long-staple cotton, planted this year, 150,000 acres of which surround Phoenix in what is generally known as the Phoenix District, which includes the Salt River Valley. Other growing districts are along the Colorado River and in Pima and Graham counties. All the seed, more than 25,000 tons, has been sown. Of this quantity, 21,000 tons was inspected by the government near Phoenix at what is known as the Tempe Cotton Exchange. It is estimated that there will be 100,000 bales of this cotton produced in the Phoenix District. The value of lint at the prevailing price



What Salt River Valley looked like

ruary, 1911, and formally dedicated in March of the same year.

Then, typical of the magnitude of all the rest of the irrigation projects came the building of the San Francisco pumping plant, which was completed in October, 1911; then the South Consolidated power plant, completed October, 1912; then the Arizona Falls power plant, the Western Canal, the Mesa District pumping plants, the Highline pumping plant, the Highline Canal, and the raising of the spillways of the Roosevelt Dam, all of which were completed and in working condition at the end of 1913. The Joint Head Dam was finished in 1914; and in the next

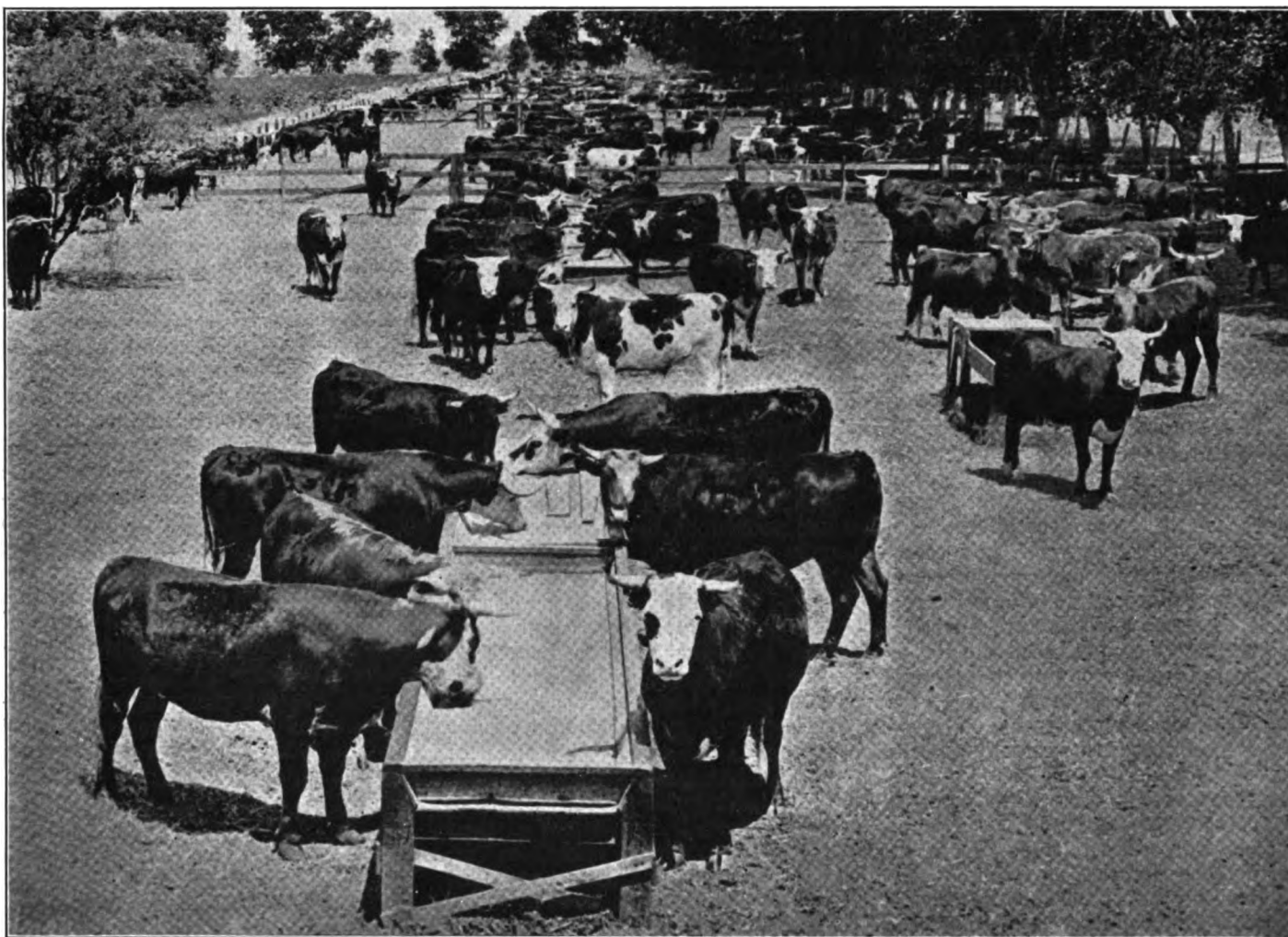
will be \$55,000,000 for the Phoenix District, and more than \$75,000,000 for the entire Pima cotton territory.

As to the price and the supply and demand, large concerns using this unusually long and strong staple have furnished figures to show that in 1919 the crop of Pima fell ninety per cent short of the demand, and that in consequence the ninety per cent had to be supplied from Egypt. The ambition of the cotton people of Arizona is to raise sufficient cotton to control the market over Egypt. The claim has been made here that should 250,000

acres are enough to convince the average person that tremendous good is being done. For instance, in the completed Salt River project the cost has been \$10,500,000, while the value of the irrigated crops has been \$18,188,000 in one year; the cost of the Yuma project has been \$9,095,000 up to date, but the value of the year's irrigated crops \$5,100,000; the Yakima project has cost \$10,300,000, and the value of its one year's irrigated crops \$9,729,643; the Minidoka project has cost \$5,800,000, but its irrigated crop value for one year is \$5,168,078. It will be remarked

acres are now actually irrigated. Besides this, storage water is delivered from permanent reservoirs under special contracts to about 950,000 acres more. Projects that have been undertaken already and upon which work is proceeding with more or less rapidity provide for a total irrigation area of about 3,200,000 acres.

Investigations have indicated the feasibility of many large projects in various parts of Western United States. Many of these, however, require far more work in surveys and estimates to make them available for



Healthy herds on fine alfalfa ranches

bales of Pima be raised it would be enough to control the long staple market over Egypt, so far as American consumption is concerned.

Many persons believe that what has been done with cotton in these projects, very reasonably, can be done with other products and while the Salt River project just now is showing largely in cotton and fruits, others of the irrigation ventures are producing their greatest proportions in other products of great importance.

A glimpse at the cost of construction and the value of the crops irrigat-

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that the cost of upkeep, once the projects are complete, seems to be trifling, for the appropriations for the Salt River area have been only a few thousands a year, which appears almost negligible in comparison with the tremendous good accomplished. In the eighteen years since the passage of the Reclamation Act, which made it possible to spread the rivers out over the dry grounds, the service has grown to such magnitude that in the present year it is in position to deliver water to about 1,600,000 acres of irrigable land, of which about 1,120,000

acres are now actually irrigated. Besides this, storage water is delivered from permanent reservoirs under special contracts to about 950,000 acres more. Projects that have been undertaken already and upon which work is proceeding with more or less rapidity provide for a total irrigation area of about 3,200,000 acres. Investigations have indicated the feasibility of many large projects in various parts of Western United States. Many of these, however, require far more work in surveys and estimates to make them available for

construction that has been done already. Liberal appropriations have been made by various states for this purpose, frequently on the condition that an equal amount of money may be advanced for the same purpose by the Federal Government. The major portion of the investigation work now being carried on is done under such an arrangement, the local contribution in some cases being made by voluntary associations when the state has not offered its share.

Statistics of irrigation show that on the projects of the Reclamation Serv-

ice there are about 500,000 acres of land to which the Service is ready to deliver water but which are not irrigated. Those who point to this as a reason for delaying further developments are refuted by the following explanation:

"The most important item in the acreage not irrigated consists of the unirrigated portions of farms that are occupied and cultivated but have not been brought wholly under cultivation. The reduction of the average farm in the arid region to cultivation requires clearing, leveling, ditching, and is a slow process with the average settler, who has limited capital and probably depends on his own efforts and teams to accomplish results. The fact that on the average three-fourths of each occupied farm is actually under irrigation is a very good showing under the circumstances, and many old-settled communities have done little better.

"Again, some of the land is owned by non-residents or residents who own more than 160 acres. The law prohibits the sale of water to such classes. Gradually the excess holdings are being disposed of to new settlers, who may purchase water, and the non-residents are either selling their land to settlers or gradually occupying it themselves.

"Farmers in other sections of the country or in other parts of the world where there is a bountiful rainfall often wonder just why any one should go to all the trouble of diverting a stream or storing up water in a reservoir, when all that labor and expense could be avoided by doing one's farming in a section where nature furnishes its own water supply. But the Reclamation Service has enumerated the advantages of growing things through the use of water ditches instead of praying for rain in such appealing terms that a mere perusal of them is sufficient to arouse visions in the mind of a true lover of the land."

Moreover, other advantages are set forth by the Service, as follows:

"Agriculture in the arid region where irrigation is feasible has several important advantages over that in the humid region. The soils of the arid region by the nature of the case have generally not been leached of their mineral plant foods as have those in the humid region, and they are therefore much richer in this respect on the average, and are seldom or never acid, as are soils in the humid region. This quality has the disadvantage at times of leaving the arid lands charged with hurtful alkalies, which seldom remain in humid conditions on account of the solubility; but where the injurious salts do not predominate, the general principle of abundance of mineral plant food obtains and constitutes a distinct advantage.

"Another striking advantage is the preponderance of clear days in an arid region, where the absence of rainy and cloudy weather affords a much larger percentage of sunshine than is found in humid regions. As sunlight is one of the most important essentials of healthy plant growth, this advantage is an obvious one.

"Resulting from these advantages, it appears that the average gross product of agricultural crops on reclamation projects is about double the yield from non-irrigated lands in the country at large. The larger product obtainable per acre from irrigated land justifies and permits a more careful and intensive cultivation, which, with a favorable climate and a controllable water supply, yields more certain results than the same care in a humid region.

"This means that as much product can be obtained from a forty-acre tract under irrigation as from the average eighty-acre tract in the humid region. This, of course, requires more labor per acre, but much less labor in proportion to product. It permits and encourages intensive cultivation and smaller holdings and consequent greater centralization of population. The result is that the isolation of country life is to a large extent eliminated, as the irrigating farmer will have fully twice as many neighbors in a given radius as his prototype in the humid region. The social advantages thus obtained react upon the character of the people and of the community, and other conditions characteristic of an irrigated region have the same effect.

"Coöperation with his neighbors is forced upon the irrigator because it is usually impracticable for him to irrigate his land without such coöperation, the feasible irrigation projects usually being tracts of many thousands of acres, accommodating thousand of families and giving rise to towns, villages and characteristic civilizations of their own. This condition stimulates the civic conscience and attention to public affairs of common interest, so that local governments that grow up under such conditions are usually of a superior order and controlled by a superior intelligence on the part of the population living thereunder."

The first few years of the Reclamation Service were the most severe for the project settlers. Yet they fought along, and now are prospering. Millions of acres of equally favorable land await development. Irrigation already has added more to the national wealth in comparison to the money expended on it than probably any other operation of the Government. It is a national asset of unparalleled value, and it is most important that the work be expanded.

Despite the inability of the Recla-

mation Service to take up new projects in the past year, it has gone ahead with improvements to the already existing projects with what funds were available, and accomplished seeming marvels during the fiscal year ending last June.

The vastness of the reclamation projects constantly under way are exemplified in the annual reports of the service. The following is a typical project now under consideration:

"Between 1907 and 1912 various investigations were made by private interests for the development of approximately 200,000 acres of land in Montezuma and Dolores Counties, Colo., and San Juan County, Utah. No construction work, however, was ever undertaken, the promoters being unable to secure the necessary funds. In the summer of 1918, the possibilities of development in this section were called to the attention of the Reclamation Service.

"The development of this project requires the construction of a combination diversion and storage dam across the Dolores River about one-half mile below the mouth of Beaver Creek. The height of this dam above the river bed will be 230 feet, the diversion being 173 feet above the stream; 47 feet of storage are provided for above the gate seats. With a water depth of 220 feet at the dam, the capacity of the reservoir will be 258,000 acre-feet, of which 120,000 acre-feet will be available for irrigation. The reservoir created by the construction of this dam will flood 13,700 acres of land, 2,800 acres of which are in private ownership."

Here are the most important irrigation areas nearing completion, some of them close along toward the final chapters of construction:

State and Project	Irrigable acreage when complete	Per cent. complete
ARIZONA		
Salt River .....	192,077	100.
ARIZ.—CAL.		
Yuma .....	110,000	88.5
CALIFORNIA		
Oakland .....	20,533	81.
COLORADO		
Grand Valley .....	50,000	80.3
Uncompahgre .....	100,000	98.7
IDAHO		
Boise .....	327,552	99.
King Hill .....	16,385	59.4
Minidoka .....	121,392	91.1
MONTANA		
Huntley .....	32,885	90.6
Milk River .....	181,000	46.
Sun River .....	174,620	44.2
MONT.—N. DAK.		
Lower Yellowstone.	59,529	87.



## NEBRASKA—

## WYOMING

North Platte ..... 251,715 62.

## NEVADA

Newlands ..... 231,000 52.

## NEW MEXICO

Carlsbad ..... 24,991 97.

## N. MEX.—TEXAS

Rio Grande ..... 162,000 70.7

## OREGON

Umatilla ..... 36,300 94.

## OREGON—CAL.

KLAMATH ..... 141,444 76.

## SO. DAKOTA

Belle Fourche .... 97,889 84.

## UTAH

Strawberry Valley.. 60,000 84.

## WASHINGTON

Okanogan ..... 10,099 75.

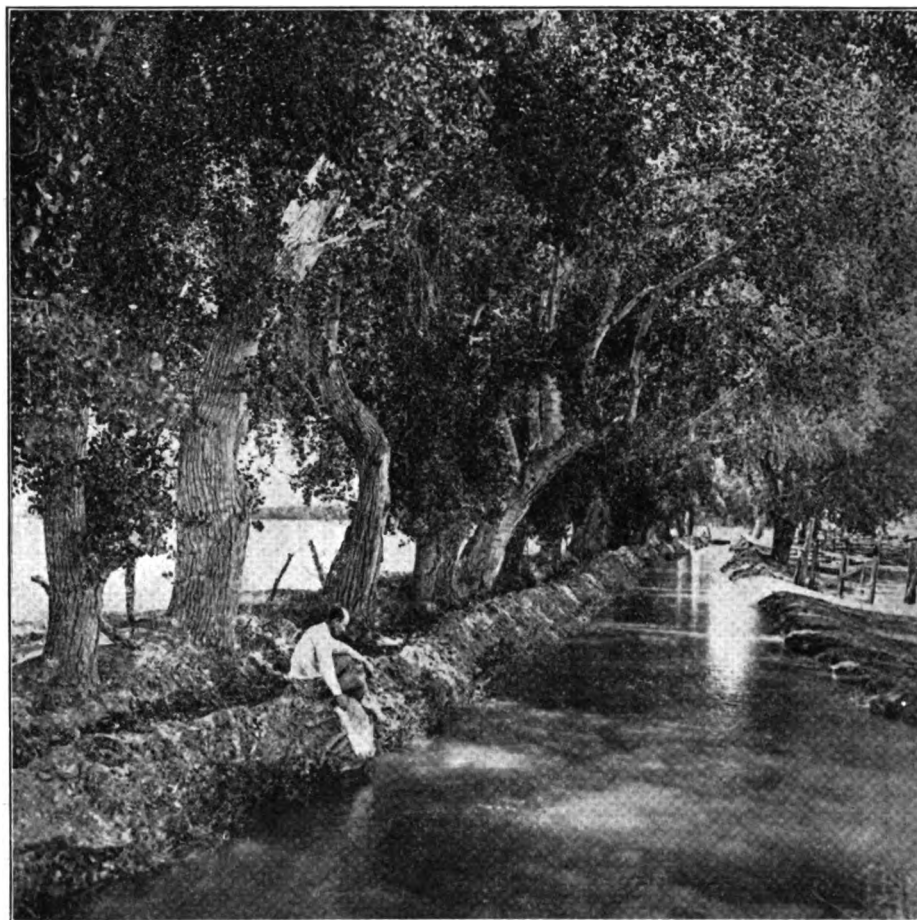
Yakima ..... 142,828 95.

## WYOMING

Shoshone ..... 136,618 65.

Owing to the improved financial condition of the project farmers, due to good crops and war prices, public interest in Government irrigated lands has become very keen and many new settlers are going in.

The year 1918 was the most active in the history of the Service in the transfer of private lands on the projects. The sales by original owners in whole or in part of their ranches amounted to millions of dollars, and prices of land which a few years ago was desert and worthless ranged from \$100 to \$1,000 per acre. In these transfers it was noted that many of the purchasers were from other projects whereon they had been successful, and the change was made usually by reason



Typical main irrigation ditch

of a desire for a milder climate. Montana farmers have sold at good prices to Mississippi Valley farmers and have transferred to Idaho and Oregon, while the Idaho farmer has joined the num-

bers thronging to California. With plenty of money and experience, the newcomers are valuable additions to the communities in which they locate.

The demand of the soldiers for opportunities to acquire land overshadows everything in connection with settlement work, but it will not be a wise policy to overlook the very urgent and increasing call for similar opportunities from citizens who were unable to wear the colors. Every consideration of good policy that can be advanced stresses the need of increasing greatly the acreage for settlers on all public land projects as well as the taking up of new projects without delay. Neglect and long deferment of definite plans for rapid land development may still this hunger.

The national reclamation policy has resulted in an annual crop production of \$100,000,000 or over from lands which a short time ago returned nothing. To it must be attributed also the establishment of more than 200,000 people in prosperous and contented homes on the land and an equal number in the cities, towns, and villages which are the result of this agricultural development. The progress being made by these communities equals that of the most prosperous regions of our country.



Roosevelt Lake, once a dry bed

May 8-9-10

May 8-9-10

*Remember These Days!*

They are the dates for the next Annual Convention of the National Association of Manufacturers and the presence of every member of the Association is strongly urged.

May 8-9-10

May 8-9-10

# Lesson Of The Soldiers' Bonus

By MICHAEL J. HICKEY  
Of The National Industrial Council

**W**HEN this article appears in print the Congress of the United States will have vindicated the confidence of good citizens in that branch of our representative form of government, or it will have, in the name of that mysteriously powerful influence—politics—committed economic hari-kari for the national treasury and industrial revival. All of which has to do with soldiers' bonus legislation.

Important as the outcome of Congressional judgment is on this problem, it is not any more vital than the hard lesson in economics which the discussion ought to have brought home to thoughtful elements of our citizenship. In the soldiers' bonus verbal and written bouts which have taken place in Congress, between the Secretary of the Treasury and members of Congress, in the press and on the rostrum, a wealth of information about our national resources, taxation, patriotism, etc., has been brought to light.

The hard but simple lesson which the bonus discussion has developed is seen in the principle that wealth cannot be spent without reducing the total amount available and that gratuities without commensurate productive return from those who receive as well as to those who give, only bring hardship to all.

There have been many remarkable utterances on natural wealth and its sources in recent years, but it required the heat of the soldiers' bonus controversy to bring out, from Senator Borah, of Idaho, the impressive observation, that the sources of taxation in this country are drying up. What is the significance of Mr. Borah's finding? In the answer to

this is contained a good part of the lesson of the soldiers' bonus proposal.

First of all, of course, is the elementary proposition that, in a good many instances, our taxes have become unproductive. There is no use to tax further the already heavily or overburdened taxpayer or source, for the very good reason, that those taxpayers or tax sources will not produce further if no return can be obtained, or, if too small a return makes production unattractive.

If examples of the truth of this may be required, look at the effect of the excess profits tax. First an indirect limit is fixed as to profit, beyond which the tax scale progressively ascends on what is characterized as excess profits. When thus taxed, business initiative, productive ability and enterprise are not only discouraged but it is unquestionably stifled. Take all of a man's excess profits and the productive incentive to realize such profits is killed.

During the last two years of depression the results of such a system of taxes could be seen in every industrial section of the country. Business profits, a good part at least, were conscripted by taxes. Ergo, golf became more profitable (at least in health and mental relaxation) than the hand-to-mouth management of productive industry.

Ever-increasing taxes, imposed for the purpose of subsidizing this or that interest, whether it be in the guise of a soldiers' bonus, helping the farmer to pay off his debts or appropriating public moneys for unproductive public works, no matter whether it may be fifty or one hundred per cent wrong or right, for political or charita-

ble reasons, can only have one effect and that is the taking away of funds from fields of productive employment. It cuts down the field of wages and industry, withdraws money from investment and otherwise brings agony to the operation of economic law.

Ex-service men complain of being unable to obtain employment, farmers proclaim that they are cut off from adequate credit and cannot look forward to the planting of their crops this year because of lack of means. But both rush to Congress to obtain what they think is relief. Really what they get is what they least of all need—more taxes—which must follow every governmental dole, allowance, bonus subsidy or political pap—call it what you like.

## SHIPPING BOARD AND PROFITS

Joseph W. Powell, who has retired as president of the Emergency Fleet Corporation of the Shipping Board, announced that for the first time in the history of the Shipping Board the ship operating expenses for February were less than the operating revenues. The February figures for ship operation, he said, showed that revenue was approximately \$6,500,000 and expenditures \$6,400,000.

Since July the personnel of the Emergency Fleet has been reduced 3,302 and the payroll \$5,290,000. In July there were 956 ships laid up as against 1,278 to-day. Figures for the liquidation of property show that since October \$5,000,000 worth of ships, \$6,073,000 worth of houses and \$5,000,000 worth of surplus materials have been sold. In addition, \$4,300,000 worth of securities and mortgages have been disposed of.



# Putting Art In Our Industries

*Gradual development of machine-made products, supplanting the old hand-made article is causing manufacturers to look more and more to the fashioning of the artistic as well as the durable*

Written especially for AMERICAN INDUSTRIES

By HENRY W. KENT

Secretary, Metropolitan Museum of Art

THERE is a certain element of the humorous in our discussing the possibility of introducing Art into Labor, when the colleges and universities, ever regardful of young America, have kicked the oldest of the humanities out of doors. If, however, we believe that matters are ordered for the best in this world, we may nibble as on a crumb of comfort, the thought that while art is one of humanities, it is a commodity as well. On that score, perhaps the colleges and universities will admit it to their crowded schedules of study, along with journalism, automobile repairing, and other things. Some of us are prepared to argue the matter, but here, among those who stand for art in all of its relationships, I may be permitted to assume the premises in the case, and to devote my time to a consideration of some of the factors responsible for art in labor.

Let us admit that art is a commodity when properly admixed with manufactures. The French have proved it. They have made it essential to their products. Indeed, they have achieved through it a national style. Greece did the same, so did Rome, so did Italy once.

## May Attain National Style

It is not too much to hope that with time we may attain to a general recognition of the value of style, and even achieve a national one. In what is called a melting pot, perhaps our many racial qualifications will get smelted into something resembling style. Heaven knows what it will be like, but it is safe to say that it will be something more than a beaux arts facade to a building, or a Louis XV room in household decorations. The responsibility for a national style lies upon no one pair of shoulders, but rests upon us all. No great nation has been without it. A manufacturing nation without it would not be above the machines that make her goods. National taste, then, is a national responsibility. Recognition of this fact would result in training.

It is an axiom that to train a people requires that they should be taken in

hand when young. This is just as true of training in a feeling for style, or art in manufactures, or whatever name you choose to give it, as in a feeling for economy or patriotism. There are sporadic attempts to teach this thing in the schools of some cities through what in their schedules of studies is called drawings and art, and through school room decoration, and in some colleges through what is called the history of art, but these are not general and are not very seriously recognized or encouraged by the educational authorities or the Government. There can not be a general sense of style as a necessity until the need for sound and conscientious teaching of the people when young is understood, and especially until the Government takes a part in the matter, requiring such teaching in all public schools and the establishment of art, trade, and design schools maintained by the State.

Associated with this movement are the art, trade and design schools already established, which independently have been grappling with the problem of supplying trained designers and craftsmen in industry. Their problems are peculiar, chiefly owing to the competition their students encounter in the products of the schools of other countries, especially those of France, through the purchase by American manufacturers of foreign designs. Their opportunity to show whether their training was as thorough and the qualifications of their students as competent as their European rivals, came with the war, when the supply from abroad in large measure was shut off. It may be questioned whether what I believe to be the general practice of design schools in this country of teaching designing without practical rendering and of the trade schools of teaching practical rendering without design are wise ones. But this is their responsibility, and we may assume that it will receive attention since it affects their existence. Much has been made clear by the war which before was seen darkly. Theories may now be measured by more definite rules, such as will here-

after be laid down by those who are competent to express opinions, the manufacturers. Technical schools have an opportunity to play a part in manufactures and through them in the national life never imagined as possible before. Perhaps the time may even come when the professional designer will be recognized, a measure of honest generosity and justice seldom practiced in this country.

## Where Style Is Expressed

The test of the degree of style possessed by a people lies in what it makes and what it buys. The art sense in purchasing does not lie in what its few sophisticated collectors or its superfluously rich buy. The average home of the man with an average income tells the story. In that home to-day is found a greater degree of physical comfort—bath tubs, furnaces, electric lights—than ever obtained in the history of the world before, and a degree of aspiration after pleasant things, a striving indeed for "effect," "color schemes," "harmonies," and other things in phrases of the interior decorator and art schools.

There is found, also, a seeking to put into practice the tritutes taken from certain monthly publications with pages devoted to art in the home, and more pages of advertisements devoted to art in the shops. I am not meaning to underrate the value of these agencies. They are good. They have done much to encourage a desire for taste in the house, and they have reached many people. Following the old rule for the giving of advice, "First find out what is wanted, and then give it," they have sought to give what they believe would be liked. But they can do better. A liking for pretty things does not constitute taste. Let them set a higher standard on the part of their contributors, especially with regard to the teaching of good and bad styles. A real responsibility is laid upon editor and contributor of such magazines, especially those who serve two masters, advertiser and reader.

I count the responsibility for art of the trade journals, those that serve

the trades entirely, as one of the greatest in the country to-day. They exercise a power behind the throne of labor, and upon them depends to a degree unimagined by most laymen, the opportunity for the preaching of the theories of art in trade.

The present-day interest in objects of decorative art, dyes, and all things that enter into personal and household furnishings, does not necessarily indicate a growing intelligence in style or manufactures on the part of the large number of people whom we hear talking about them, but rather a personal interest in their own pocket-books.

#### Overcoming Overseas Traditions

There has been magic in the familiar patter of the shopkeeper and the advertiser about "Parisian styles," "London Fashions," "French this and that," and "English the other." Such talk is as old as our grandfathers and their colonial importations, reasonable enough then, when "shipments just arrived from London," meant a real supply of what could not be obtained at home, but it is doubtful if statistics would not show that we are producing as much and as durable goods, in quantities sufficient to supply all our people, as any that ever came out of France or England. Part of our belief in the supremacy of overseas goods is due to a tradition one hundred and fifty years old, part to the thoughtful intention of manufacturers and shopkeepers alike to keep the tradition alive, and part to a real excellence in a small percentage of our imports. A responsibility rests upon the buyer, you and me, to become acquainted with the market, to learn what an enormous manufacturing people we are, to be intelligent in demands, and justly critical in estimates.

It is a fact not to be gainsaid that whatever has been in the past, the preponderance of what is to be bought in this country in the future will be home-made by American machinery.

Little bands of well-meaning people have been telling us ever since the advent of the machine in trade that only hand-made goods could be really excellent, that they alone had the divine afflatus. The monks told us this about printing when Gutenberg invaded their monasteries and took away the occupation of the scribes; we have been told the same thing with the invention of almost every new machine. Doubtless there is a value in honest craftsmanship, perhaps even it surpasses the machine, but there is no reason why with the same amount of brains it should. "Other days, other fashions." We are dealing with fashions for millions of people.

A few rich people furnish their

houses with hand-made furniture, rugs, tapestries, drinking and eating vessels, made in Europe before the machine was thought of. Their treasures, following the rule laid down by time himself, will eventually be banded back and forth through the auction rooms, serving a useful purpose as they go in public education in styles, until, eventually they will find a place in the museums of the future as examples of by-gone arts and industries, models of the taste of their times. To these collectors this country owes a boundless debt of gratitude. Their possession of documents of such value and such incalculable potentiality in the formation of taste and the modeling of style in our manufactures is among the foundation stones in the fabric we are rearing.

#### In the Era of the Machine

It is a good thing to collect admirable things, but it is a far greater thing to make them. This is the era of the machine. It is with machine-made things that the American of to-day, certainly of to-morrow, must content himself. The matter with which we are concerned is: are the products of the machine to be good or bad? It is often debated as to whether improvement in the quality of art in American manufactures is to be best and most quickly effected by the manufacturer himself or by the people.

On the principle that a Government is just as good as the deserts of the people governed, so taste in manufactures is just as good as the taste of the people for whom the objects are made. The manufacturer makes his goods to sell. If their quality is such that they do sell, he is justified in believing that he gives what is wanted. As a matter of fact, the responsibility, however, for the artistic quality in most of our manufactures lies not with the maker, but with the middleman who buys the goods from the factory and sells to the retailer. He it is who tells the maker of this and that what the people want. It is his business to gauge the taste of the community and it is his risk that is involved. The manufacturer does as he is told.

If the average of taste, style, art, whatever name you choose to give it, in American-made goods is low, it is because the average buyer of them is uncritical. As I have said there is an unusual degree of curiosity now-a-days about matters of taste. But curiosity alone never accomplished much except bad manners. Something else is needed to lead people to learn to discriminate. First of all it should be generally understood what art is, that art is worth while, that good taste pays. If there be awakened in the country a sentiment in favor of this, there isn't much doubt but that the

manufacturer and the middle-man will each try to do his part in the improvement of his output. You can safely leave it to them to do whatever is necessary to that end.

Here the question is, is the middle-man competent to judge. His slogan of "giving the public what it wants," is all right if he is beneficent and all-seeing enough really to know. But there have been doubts expressed as to this omniscience. It is his responsibility to refute his critics. It is easily done, for by his good ye shall know him.

#### Improving Public Appreciation

It is gratifying to learn that a movement has been set on foot by the National Association of Decorative Arts and Industries to federate manufacturers, wholesalers, and retailers, designers, interior decorators and publishers to improve public demand and appreciation for home furnishings.

Doubtless they will accomplish much. Their greatest field for accomplishment, however, lies in their power to awaken the Government to a sense of the importance of art in trade, as a national asset. It lies with them to persuade our Government to sponsor such a movement as that recently undertaken by Great Britain: The University of Reconstruction in connection with the establishment of the British Institute of Industrial Art outlines provision for a permanent exhibition of British work, plans for bringing designers, manufacturers, and distributors together; a bureau of information to give foreign buyers knowledge of English industries and in general to push art in British industries.

There is another element in the education of the people in art which should be mentioned, which is not the least in its responsibility—the public museum. The history of this institution shows it in the past to have been in a formative state to this end. For years its chief aim was the pleasure of the people and the convenience of privileged classes, then it espied its opportunity to help in the education of the people, and now it is coming to recognize the part it has to play in the industry of the people.

The power of its collections to give pleasure through the transfusion of its objects by labor into other objects is increased a hundred fold. The old theory that objects of art in museums were to be seen and not touched is rapidly giving place to one of use. Visual instruction is good but tactile instruction is better. Demonstration is needed and the museum has seen the need. No single agency to-day except the Government has the power materially to aid art in labor to the extent that the museum has.

# Pressmen Haggle On Arbitration

*Men employed on great newspapers of New York City, after signing decision of arbitrator whom they approved, go out on strike and compel the journals to issue skeleton editions at the last moment*

**W**HAT is regarded as one of the most important decisions ever given in a labor controversy, and one which will settle for a period at least a dispute extending over twelve years, was rendered within the last fortnight by Judge Martin T. Manton, of the United States Circuit Court of Appeals, the chosen arbitrator between the Publishers' Association of New York City and the New York Newspaper Web Printing Pressmen's Union No. 25.

Judge Manton's decision, while not reducing the wage scale, eliminated every working condition and shop practice which had been designed to curtail production and make necessary the employment of superfluous men. It established the principle that all members of the union should work eight hours a day, whether at day work or night work. Judge Manton laid down fundamental principles of the relationships of employer and union labor and the rights of union labor in the preservation of its organization. The number of men employed on each press is to be designated by the publisher instead of by the union; the publisher is to be the judge of competency and is given the right to transfer a man from one press to another, among other things.

Each of the contending parties to the dispute had signed an agreement to abide by whatever decision was rendered; and the new agreement was to stand for eighteen months—from March 1, 1922 until September 1, 1923.

But—on March 1, the union which had agreed to abide by the decision of the arbitrator, completely repudiated the agreement, the pressmen failed to report for duty, and a score of the greatest newspapers in the world were compelled to go to press with skeleton editions. As usual, in cases of this kind, the public was the sufferer, for thousands of them, going to their business in the morning, were unable to have before them the usual complete report on the news of the world.

The public expressed, and the newspapers all emphasized, the fact that the union had repudiated an agreement of an arbitrator, after signing an agreement to accept whatever decision was rendered. Whether from the fear of

the public condemnation or what, the strike lasted only a day and the papers published regularly the next morning.

## The Decision

The text of the decision of the arbitration board, which was composed of Judge Manton, Lester L. Jones, representing the publishers, and Albert B. Kreidler, representing the union, follows:

"In the matter of the arbitration of the terms of a contract to be made between the Publishers' Association of New York City and New York Newspaper Web Pressmen's Union, No. 25:

"The parties to this arbitration are the Publishers' Association of New York City, consisting of the *World*, the *Evening World*, the *New York Times*, *New York American*, *New York Journal*, the *Sun*, the *New York Herald*, the *Evening Telegram*, *New York Tribune*, the *Globe*, the *Journal of Commerce*, the *Evening Mail*, *Daily News*, *New York Evening Post*, the *Morning Telegraph*, the *Brooklyn Citizen*, *Brooklyn Daily Eagle*, *Brooklyn Standard-Union*, *New Yorker*, *Staats-Zeitung*, the *New Yorker Herald*, *Il Progresso Italo-Americano* and *Courrier des Esats-Unis*, the *Brooklyn Times*, a daily newspaper published in the Borough of Brooklyn, City of New York (which is not a member of the Publishers' Association of New York City), and the New York Newspaper Web Pressmen's Union, No. 25.

"The first parties are the employers of pressmen and the second party is a labor union which furnishes men to the first parties. We shall hereafter refer to the parties as the "Publisher" and the "Union."

"Heretofore the parties have contracted in writing, the last contract expiring February 28, 1921. The parties have been unable to agree upon the terms for their contract from that date, but by mutual agreement have been working under the terms of the last contract which expired. There are many points of difference between the 'Publisher' and the 'Union,' and they have submitted the determination of these questions to this board of arbitration.

"Before entering upon a discussion of the controverted questions presented, the Arbitration Board felicitates the

'Publishers' and the 'Union' upon the spirit which has been exemplified in the presentation of the questions involved and their consideration. Without rancor or feeling, the parties have submitted, calmly and dispassionately, arguments supporting their views as to the terms of the proposed contract. They ask the Arbitration Board to draft the contract, which they agree to sign, and by the terms of which they agree to be bound from March 1, 1922, to September 1, 1923.

"Two things have been kept in mind, which should be the guiding spirit of the contract of employment. First, a clear understanding of the obligations of the employer towards the employe and the employe to the employer. Second, the essential of bringing pleasantry and profit to the employer and employe.

"A clear statement defining an employer and employe is useful. An 'employer' is one who uses or engages the services of another for pay. The employer is deemed to have superior choice, control and direction of an employe and the employe represents his will, not merely in the ultimate result of the work, but in details. The 'employe' is one who engages in the performance of the proper duties assigned to him by his employer and contracts to do so for pay. He labors for the pleasure or interest of another. His duties should be defined and directed by his employer. The purpose and thought should be to increase the quantity and quality of work and add productivity inuring to the general wealth of mankind.

## Encourage Improved Methods

"To state this purpose necessarily means to encourage improved methods, the use of new machinery and contrivances, to bring to the work the best effort and to give contentment to the workers. Arbitrary and useless rules as to working conditions which result in a waste of time and loss of productivity should be eliminated. Whether the contract between the employer and employe is oral or in writing, these all important terms are implied or stated. The custom of the industry and the practice of human principles therein are implied. The employer promises the employe value in money for the

value in services performed. He also promises care and caution according to reasonable and humane principles for the safety and health of his employe. The employe promises value in services for the wages received; his best endeavors to active productivity in the industry and care and caution for his own protection and the protection of his fellow employes as well as the employer's property.

"A recognition of these reciprocal duties will go a long way toward fixing the terms for this contract. Duty! the sublimest word in the English language, should be exacted of each for the solution of the vexatious terms, if any there be, of this contract. The period through which we are passing calls for efficient and full productivity. We shall brush aside rules and men who curtail in any way the work, or the amount of work, and which endanger the safety or retard the happiness of the employes engaged in this industry.

#### Men on the Presses

"Article 1 of the contract should read as follows:

"I. In consideration of the mutual promises, the parties agree that the publisher will employ for the operation of his or its presses, members of the New York Newspaper Web Pressmen's Union No. 25, in the numbers required by each publisher, and at such time as the publisher requires, upon four hours notice from the publisher, but upon condition that competent pressmen are furnished by the union.

"The publisher shall have the sole right to determine the number of men necessary to operate and man the presses in their respective pressrooms. If the union fails to furnish the necessary number of men required by the publisher, the publisher may then have the right to employ the necessary help to properly and efficiently man and operate the presses in its business. The publisher through its foreman, who is deemed to have knowledge and efficient judgment as to the competency of employes.

"It is the intent of this agreement that the union shall at all times have the first opportunity to supply the men necessary for the publisher, but upon failure so to do for a period of ten days, the publisher may permanently retain workmen who are not members of the union."

"The foregoing provision is intended to constitute the foreman in every sense a workman and representative of the publisher, representing the publisher and his business. It is thought that his experience, with freedom of judgment, will make for the best interests of the industry if the responsibility rests upon him to determine the

competency of workmen. He is in a position to judge the competency of the workmen, but the publisher must have the final decision as to competency. Provision will hereafter be made for the right of the publisher to employ a foreman, will eliminate the real or fancied abuses said to have existed heretofore by reason of his required membership in the union.

#### Foreman Is Responsible

"The foreman must be responsible for the administration of the pressroom, efficiently and economically. He must therefore not be interfered with by the chapel chairman. The right of the employer to discharge employes for cause within the limits of this contract must be observed. It is essential that the foreman be free to act in directing the men, where they shall work and what they shall do. It must be realized at all times that he is an employe and representative of the publisher.

"It is the intent of this provision that the publisher shall have the free and full control of its press room operation, its shall be the final judgment as to the competency of the men engaged in the work and the work itself.

"Article 2 shall read as follows:

"II. Eight consecutive hours, exclusive of the luncheon period hereinafter provided for, considered between the hours of 7 a. m. and 7 p. m., shall constitute a regular day's work. Any eight consecutive hours, exclusive of luncheon period provided for, between 7 p. m. and 7 a. m., except on Saturday, when the hours shall be in eight consecutive hours between 5 p. m. and 5 a. m., shall constitute a regular night's work. Workmen called for duty between 5 a. m. and 7 a. m. for day work shall receive \$1 extra. Reasonable notice shall be given by the publisher to the workmen for the hours it is desired that they labor. Men working on Saturday and Saturday night on Brooklyn papers shall receive the regular Saturday night scale for Saturday night and a bonus of \$1.50, provided at least four hours elapse between the two shifts."

"This is a radical change in the day shift hours as well as the night shift hours. The demands of the publishers' business require it. To permit of four shifts, as heretofore, does not work for the essential purposes of the employment. It is very clear that it has heretofore resulted in the men working not more than eight hours but receiving extra pay for alleged overtime because of the arbitrary hours fixed for the shifts. It is established beyond contradiction that in the work to be performed by the pressmen it is necessary to commence

earlier than 12 midnight. A fair twelve hour shift should begin at the appropriate hour of 7 a. m. and 7 p. m. The public demands for the publication of newspapers have changed. The workmen must have regard for this. It is essential that the newspapers be out and ready for delivery to trains leaving for points outside of the city. This is a convenience and a requirement of the publisher. It should be met by the workmen under their promise of service.

"The eight-hour day has been established and is now universally recognized. A shift of twelve hours is established by the practice in the great majority of other cities, and in New York alone is there a six-hour shift. The publishers' requirements make it necessary that the night shift hours begin at 7 p. m. except on Saturday nights. This business condition should be appreciated and met by the union in fixing the hours. Special provision should be made for Brooklyn. The four Brooklyn newspapers are published in the afternoon and have a Sunday edition. If the men return after a four-hour rest period they are permitted to earn another day's pay. It is not demanded that the so-called "regular" men work Saturday or Saturday night. The privilege of doing this remains with the men. If they do so they receive seven days' pay. Fixing the shift hours as above, requiring the men to work but eight hours a day, imposes no additional hardships; it may mean a different arrangement at home so as to accommodate these hours of employment. It is no greater tax upon the health of the workmen. Changing the hours of shift on Saturday night to 5 p. m. is necessary to take care of the normal and regular Saturday night work.

"The bonus for this service on Saturday night is reduced. The bonus of \$2.28 was granted during the war period. We think the request to entirely eliminate this bonus should not be granted. It is a privilege accorded the publishers to have the same crew man the presses for sixteen hours out of the twenty-four hours which should be recognized, not only by the usual pay therefor but a bonus to encourage the men. We think this will be helpful to the industry, the publisher as well as the workmen.

#### Time for Luncheon

"Article 3 should read as follows:

"III. Luncheon. The time for the luncheon shall be designated by the publisher. A full half hour for lunch shall be allowed each man during each eight-hour shift, but no man shall be sent to lunch until he has worked at least three hours nor shall

he be kept from lunch more than five hours from starting time, except in cases of emergency. When more than one hour overtime is required at the end of the regular eight-hour shift a second lunch period shall be allowed. The lunch period shall not be a part of the regular hours of labor nor shall it be paid for where the intervals between editions permit any press to stop so that the crew can go to lunch. In offices where continuous operation of presses is necessary, if men take their luncheon in turn and the presses continue in operation, each half hour lunch period shall be counted as a part of the eight-hour work.'

"In all industries where the eight hours of labor is recognized and prevails it is the intent that the employer receive the full eight hours of work; therefore the lunch period in the cases referred to in the above article should not be considered part of the eight hours of labor. Where men leave presses in operation in charge of fellow workmen, who must necessarily assume greater burdens during the absence of the men for lunch, it is fair that this period of one-half hour be counted as part of the eight hours of service.

"IV. Wages. The foreman's wages shall be fixed by the publisher in an amount to be mutually agreed upon between the foreman and the publisher. The minimum wage of the pressmen in charge shall be \$8.50 per eight hour day. The wages of pressmen shall be \$7.50 per eight hour day.

"The minimum wages for eight hours of work at night for pressmen in charge shall be \$9; the wages for pressmen shall be \$8.

#### Employed According to Ability

"Since it is the intent of this contract that the foreman in the future, in fact as well as in spirit, represents the publisher, he shall be employed with due regard for his ability to superintend the work in hand. It is to the interest of the publisher to pay wages fully adequate to obtain the best services as the necessities of this industry require.

"We have examined the very exhaustive exhibits and thorough arguments of the union on the one side, demanding an increase of \$10 per week in wages, and of the publisher on the other hand, asking for a decrease in wages. We decline to allow the union an increase, as this is not in keeping with the cost of living or family requirements of the day. The statistics gathered and furnished to the arbitration board satisfactorily establish that there is a decrease in the cost of living, although not in rents. The men engaged in this industry, and affected

by this contract, have been accustomed to earning much in excess of these wages by extra work. Under other provisions of this contract they will be deprived of this opportunity, and therefore we do not think it would be fair that their wages should be reduced further. We recognize that there have been reductions in wages in other cities, but our view is that in other cities opportunities were not afforded the pressmen to obtain extra compensation for extra hours of service.

"Article 5 should read as follows:

"V. All time actually worked in excess of the number of hours fixed herein as constituting a day's or night's work, exclusive of lunch time, shall be allowed for such extra time, which shall be counted as overtime. Time and one-half shall be allowed for such extra time which shall be paid for at the prevailing rate of wages.'

#### Pay for Actual Time

"This provision is not new between the parties except as to payment for the actual time of service. We deem it fair that the actual time be paid for rather than periods of fifteen minutes or half hours.

"Article 6 should read as follows:

"VI. Holidays. When work is performed on any of the legal holidays provided for by the laws of the State of New York, between 7 A. M. and 7 P. M., time and one-half shall be allowed."

"Since the publisher announced that extra pay should be given for work on holidays, there is no reason why all of the legal holidays provided for by the laws of the State of New York and recognized by it should not be paid for on the same basis. No good reason is advanced for selecting but half the holidays for the allowance of extra pay.

"Article 7 should read as follows:

"VII. All employes of the pressroom shall perform any work pertaining to the operation, maintenance, cleaning and upkeep of the presses within the building and shall be subject to the orders and directions of the publisher in so doing."

Article 8 should read as follows:

"VIII. Press crews or members thereof may be transferred at the discretion of the publisher or its representative or from one press to another or from one position to another, as efficiency or economical operation require, provided that such transfer shall be without reducing the number of men employed in any regular eight-hour shift until the end of that shift."

"Article 9 should read as follows:

"IX. The publisher or his representative shall have the authority to discharge employes for good cause, but in so doing shall keep within the re-

quirements and obligations of this contract.'

"Article 10 should read as follows:

"X. It is agreed that the jurisdiction, authority and control of each pressroom and all its work and its employes is given exclusively to the publisher and its agents or representatives."

"The foregoing provisions of Articles VII, VIII, IX, and X, are provided for with the sole object of having it clearly understood that the work shall be carried on under the authority and direction of the publisher.

"Article 11 should read as follows:

"XI. Foremen. Each publisher shall designate a foreman, who shall be considered its representative and whose orders, which shall always be in conformity with the express terms of this contract, shall in all instances be complied with. The publisher agrees to select a foreman from the membership of the union, if one may be found therein who is competent and otherwise satisfactory to fulfill the duties required of him. If not, a foreman may be selected by the publisher though he is not a member of the union.

"The foreman shall be in every way the unrestricted representative of the publisher in the press rooms. He can only be discharged or disciplined by the publisher. If he is deprived of his membership in the union that of itself shall not be sufficient cause for his discharge by the publisher, but if a complaint is made against the foreman it shall first be laid before the publisher and the publisher agrees that if there is proper and sufficient cause therefor it shall be its duty to discharge such foreman.

"The chapel chairman representing the union may report to the union any violation of his contract that cannot be settled satisfactorily with the foreman. He shall issue no order affecting the operation or conditions of the press room. His regular press work shall be done under the foreman."

#### Must Be True Representative

"It is sufficient to refer to the comments above as to the importance of the position of foreman. If the contract of employment permits the publisher to dictate the service and have a supervising direction of the work, it is essential that the foreman in charge be his true representative. This should be pleasing to the union, for it fixes a responsible head to whom complaints may be made and from whom orders and directions may be received.

"Article 12 should read as follows:

"XII. When any action by either party to this contract is contested by the other, as a violation of this contract, the question shall be referred to a joint standing committee to two representa-

(Continued on page 26.)



# AMERICAN INDUSTRIES

D. M. EDWARDS, EDITOR AND MANAGER

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March 1922

Vol. XXII, No. 8

## THE ANNUAL CONVENTION

THE National Association of Manufacturers will hold its annual convention on Monday, Tuesday and Wednesday, May 8, 9 and 10, at the Waldorf-Astoria Hotel, New York City.

This will be the twenty-seventh annual meeting of the country's foremost industrial organization, and every effort is being directed toward making this the most successful and most largely attended convention in the history of the organization. A large committee is now at work arranging the complete details of the program, and these will be announced within the next few weeks. The program will include several new and outstanding features of ample strength and interest to attract members of the association from the far corners of the country.

It will be a members' convention, for and by members, with the able participation and guidance of outstanding national officials, business men and industrial leaders whose words are always one hundred per cent full of meaning and constructive value.

In a general way the program will cover a wide field of industrial sub-

jects and problems; and take a close and intimate view of those national considerations that are to-day the prime concern of national legislators, industrial and business men, who must solve them and come to immediate conclusions with the view to doing the greatest good for the country's prosperity—for on the country's sound and safe prosperity depends the sane and stable operation of industry.

Every member of the National Association of Manufacturers is urged to set apart May 8, 9 and 10, and to so firmly fix these dates in his mind that he may be in New York City on those days or on some one or two of the days. If there is a business trip to New York to be made in April or May, why not make it in May; if there is an appointment to be set for the latter part of April, why not postpone it for the middle of May; and if there is a meeting to be arranged for business in the latter part of May, why not advance the date to the middle of May and thus help to make the convention attendance the largest in its history.

At no time in the history of the country has the combined voice of industry been needed as badly as it is to-day, and your suggestions and your presence are most sincerely urged to make this convention the most influential the association yet has held.

## FEWER NEW ENTERPRISES

DURING February there were 702 new enterprises organized under the laws of the principal States, with an authorized capital of \$100,000 or over, involving \$591,404,300. This is the poorest monthly showing since November last, when 720 companies took out incorporation papers representing the sum of only \$367,956,100. In February a year ago 838 concerns were formed, with an aggregate capital of \$654,375,800. However, the returns to hand embrace practically all lines of business or industry. Apparently, various interests have adopted an indifferent attitude about carrying out plans calling for the formation of big companies awaiting concrete signs of trade revival. Since January 1, 1,744 new companies were formed, in-

volving a grand total of \$1,435,057,200. These figures compare with 2,027 new promotions with an aggregate capital of \$1,898,836,000 in the corresponding period a year ago. The following table shows the situation as regards 1922, 1921 and 1920:

	1922	1921	1920
Jan.	\$843,652,900	\$1,243,460,200	\$2,280,460,600
Feb.	591,404,300	654,375,800	1,158,861,000
T'l	\$1,435,057,200	\$1,898,836,000	\$3,439,321,600
Mar.	.....	954,700,000	1,375,797,000
Apr.	.....	987,894,000	1,354,262,400
May	.....	601,044,000	1,417,613,900
June	.....	675,977,800	1,323,221,400
July	.....	281,759,000	1,260,418,600
Aug.	.....	580,141,100	941,288,300
Sept.	.....	489,846,100	950,953,200
Oct.	.....	503,394,000	1,179,801,300
Nov.	.....	367,956,100	895,563,100
Dec.	.....	618,572,300	860,803,400
T'l	.....	\$7,959,141,300	15,021,578,800

## OUR PUBLIC DEBT

AN increase of more than \$90,000,000 in the public debt for the month of February was announced by the Treasury Department, and still there are many in Congress who seem to think the payment of several hundred million dollars for a bonus to soldiers need cause no concern.

On February 28 the total debt stood at \$23,478,667,789, as compared with \$23,388,544,236 on January 31. The increase in the debt was largely accounted for, officials explained, by the issuance of approximately \$601,000,000 in Treasury notes during the month, while Government securities retired during February approximated \$511,000,000. However, officials believed that the continued quarterly reduction in the public debt would go on during March, when instalments of income and profits taxes are due.

Ordinary expenditures of the Government during February aggregated \$162,000,000, as compared with \$351,000,000 during the same month last year, while ordinary receipts for the month approximated \$175,000,000, as against \$248,000,000 in February, 1921.

Public debt expenditures during the month amounted to \$622,000,000, against about \$80,000,000 in February a year ago, while public debt receipts for February were \$612,000,000, as compared with \$138,000,000 during February of last year.

# An Appreciation of American Industries



AMERICAN DELEGATION

## CONFERENCE ON THE LIMITATION OF ARMAMENT

February 17, 1922.

Mr. D. M. Edwards,  
Editor, American Industries,  
New York City.

Dear Sir:

At this time of the conclusion of the Conference on the Limitation of Armament and of the dissolution of the Advisory Committee to the American Delegation, I have been requested by the Sub Committee on General Information of the Advisory Committee to express to you its appreciation of the helpful way in which you cooperated in the Committee's endeavor to follow public opinion in relation to the Conference.

The cordiality with which you, together with your colleagues throughout the United States, responded to its request for cooperation contributed very much to the success achieved by the Conference.

It is, accordingly, with great pleasure that the Committee records its thanks for the assistance which you so generously rendered.

Very truly yours,

Chairman, Advisory Committee.

American Industries, in its November issue, published a special symposium on the Disarmament Conference, contributed exclusively for this magazine by distinguished governors, members of Congress, financiers, editors and industrial leaders from all parts of the country. More than forty persons wrote their opinions for this number which was issued simultaneously with the opening of the historic meeting.

(Continued from page 23.)

tives of the union, who shall endeavor to agree. If agreement cannot be reached the joint standing committee shall promptly select a fifth member and the direction of a majority shall then be accepted as setting such case. If the finding be in favor of the employe he shall be reimbursed for the loss of wages incurred. Pending the hearing and determination of any issue conditions responsible for such issue shall continue without modification and work shall continue without interruption.

"This article provides for a tribunal for settling disputes which should be fruitful in results. It is a form to which complainants may appeal. Its composition is an assurance of fair play and equitable adjustments.

"Article 13 should read as follows:

"XIII. If the union have a grievance against the foreman or other persons, it shall first refer it to the publisher or his representative, and if the conditions are not satisfactorily adjusted, the question may then be referred to the joint standing committee as herein provided, for settlement or decision."

#### Pay of Apprentices

"Article 14 should read as follows:

"XIV. Apprentices shall be allowed at a ratio determined by the foreman and shall be based upon the requirements of the business. They shall be permitted to do such work as may be designated by the foreman, provided that when considered competent by the foreman they may temporarily perform the work of an assistant pressman, and when so employed continuously, they shall receive the wages of an assistant pressman. The wages shall be as follows:

First year .....	\$4.50
Second year .....	4.50

Third year .....	5.00
Fourth year .....	5.00
Fifth year .....	5.00

for each eight-hour day or night."

"The rate of wages fixed for apprentices has been reduced. This is in keeping with the now recognized reduction in the cost of living and the necessities of life. The wages paid for apprentices have been higher, proportionately, than those paid for pressmen. As pointed out above, the pressmen have had a cut in wages because of the loss of extra work. We understand that the apprentices will not be affected as much by reason of the loss of extra work as will be the pressmen. In keeping with the times calling for reduction of wages, we think the apprentices should have this reduction.

"Article 15 should read as follows:

"XV. Fly boys and carrier boys who are not apprentices shall be classed as skilled labor and may, at the Union's option, be members thereof. The minimum wage for such fly boys and carrier boys shall be \$5 per eight-hour day or night."

#### Running Presses for Repairs

"Article 16 should read as follows:

"XVI. It is agreed that the presses may be run at any time by mechanics or repairmen for the purpose of testing out or repairing the same."

"This provision need not be commented upon; its statement is sufficient.

"Article 17 should read as follows:

"XVII. Both parties agree to give prompt attention to every complaint or dispute that arises and to endeavor, in good faith, to settle any difference by the Joint Standing Committee."

"This is in harmony with the mutual understanding to promote good feeling and harmonious relations and to avoid misunderstanding. If differences of

opinion arise, it is agreed that the work will be continued without interruption until a settlement has been arrived at.

"Article 18 should read as follows:

"XVIII. It is agreed that this contract covers all questions of wages, hours and working conditions, and the obligations thereof are imposed and accepted by the parties hereto and shall continue until September 1, 1923."

"The provisions of the constitution, by-laws or other rules and regulations of either party hereto may be amended during the life of this contract, but no constitutional provision, by-laws, rules or regulations of either party or amendments thereof shall alter or affect the terms of this contract."

"Since the parties have agreed to abide by the determinations arrived at, it is essential that they so agree; therefore this last provision.

"We have considered the question of working conditions which relate to the health, comfort and safety of the employes, and have had due regard for the exhibits and arguments submitted in connection therewith. The arbitration board visited some of the publishers' pressrooms and saw the best that is provided, as well as the worst. All of this has been helpful in arriving at the conclusions above stated. We have given attention and study to the questions involved with an eye only to bringing better feeling and contentment to the parties to the contract. We deeply feel the responsibility of fixing wages and working conditions for so large a body of men. We feel that what is herewith submitted in every way answers the demands of justice to the employer and employe.

"Dated, New York City, February 21, 1922.

"Respectfully submitted,  
"MARTIN T. MANTON,  
"LESTER L. JONES."

## Building Trade Reform Signed

**P**ROGRESS toward wiping clean all the evil practices existing in all branches of the building trades and the housing situation generally was made at a recent conference between Attorney-General Daugherty, United States Attorney William Hayward, of New York, and other representatives of the government and the interests involved. As a result of the meeting the executive heads of the International Organization of Bricklayers, Masons and Plasterers, which embraces all the local unions, taking in a membership of more than 100,000 signed a consent to the entry of a court decree affect-

ing the entire national organization and all its local unions.

The decree, to be entered in the United States District Court for the Southern District of New York, lays down and adopts four basic principles:

1. There is to be no limit to the productive capacity of the individual workman within the working day or any other given time.

2. There is to be no limit upon the right of the employer to purchase his materials wherever and whenever and from whomever he may choose, whether those materials be union-made or otherwise.

3. There is to be no favoritism

shown by organized labor toward employers or trade associations or contractors' associations and no discriminations are to be indulged in against the independent employer who may not be a member of such an organization.

4. The labor organization is not to be used or permit itself to be used by material men or contractors or sub-contractors as an instrument for the collection of debts or enforcement of the payment of alleged claims.

This conference was the culmination of an investigation conducted by  
(Continued from page 40.)

# The Menace In "Kidding" Ourselves

*Psychology cannot overcome fundamental economic laws today any more than it could a thousand years ago, and the man who spends his money in "any old way" is not making good business*

Written especially for AMERICAN INDUSTRIES

By ALVAN T. SIMONDS  
President, Simonds Manufacturing Company

"OH NO," you say, "I don't kid myself." Therefore, my first warning is to quit kidding yourself that you are not constantly kidding yourself. Practically every human being lets his judgment be warped by his hopes or his fears. In periods of hard times, good times are coming back much sooner than they possibly can because everybody hopes so; and good times are not enjoyed as long or as fully as they might otherwise be, because so many are fearing that they will not last.

And yet one of the worst ways in which business men kid themselves is in believing that a state of mind, psychology, can overcome fundamental economic laws. You might just as well step out a window at the tenth story and kid yourself into thinking you wouldn't fall to the ground. You would fall just the same. On the way down you might call in at every window, "All right so far," but you would land at last on the pavement.

Human nature has not changed. Quit kidding yourself that it has. It has been said recently that the modern girl has less modesty than Eve had, because Eve through modesty made a dress out of a fig leaf. A distinguished visitor from England, W. L. George, now tells us that Eve did not adopt this fig leaf dress for modesty's sake but for ornamentation. Human nature has not changed. It never does, or if it does it takes so many millions or billions of years that for ordinary finite figuring the change can be neglected as mathematicians neglect finite quantities in an equation dealing with infinities.

## History Always Repeats

And, as human nature has not changed, quit trying to convince yourself that history does not repeat itself. It has always repeated itself and will continue to repeat itself throughout all finite time at least similar events will be followed by similar human reactions. The results that followed the Napoleonic Wars are practically the same as those that are following the World War; a great boom of waste and extravagance—a couple of years of de-

pression—a secondary boom in 1818 (which if the sequence is repeated will come to us in 1922)—followed by nearly twenty years of lowering prices and lowering wages.

Quit kidding yourself that business men can go on ignorant of the eco-



Alvan T. Simonds

nomie laws that govern their business. This ignorance is doing the country more harm just now and is likely to do it more harm in the near future than almost any other one thing. When the world is sorely in need of replacing its destroyed wealth and increasing its capital in order to increase production, great business leaders send in a motto to a daily paper in a competition for the best motto, and win, on a sentiment that is bound to mislead. However, well meant by its author, it is bound to mislead those who are weak and foolish in the handling of small amounts of funds that come into their hands. The winning motto was:

"I would rather be a beggar and spend my money like a king,  
Than to be a king and spend my money like a beggar."

Of course, a king who is a miser and hides his money away in a safe deposit box, as a recently deceased American politician did to the extent of \$226,000,

does harm society more than the beggar who spends his money like a king; but one of the ways in which the American business man must quit kidding himself is that in keeping money moving by spending it in any old way he makes good business and prosperity. It doesn't even make a hit with your best girl. If she is good for anything, she would rather have you put it in the bank or let her put it in a "hope chest."

## Lower Wages for All

Quit kidding yourself that renewed prosperity and better times can be brought back in any other way as quickly as by decreasing wages and increasing production.

And don't kid yourself that you are the only fellow who mustn't work harder and take less wages.

Quit kidding yourself that the world is not all bound up together and that what happens to a Hungarian in Central Europe does not to a certain extent affect even you over here in America. The loss of Russia as a buyer of United States products is having a serious effect upon business in the United States to-day. Some declare that if Germany's chance to recover in a business way is destroyed by France that the loss of both Russia and Germany will ruin England economically.

Every nation in Europe since the signing of the Armistice has year by year gone further into debt. England is an apparent exception, but only an apparent one. No nation has raised enough income in any year to meet its expenditures. At the close of the war the amount of the debt was unbearable and yet it is constantly increasing. (The situation as far as Germany is concerned cannot be known until the matter of reparations is settled.) If the debt keeps increasing, Europe is bound to become bankrupt and none of the debts to the United States will ever be paid. Revolution, anarchy, even chaos in Europe is more likely. It would be many years before the United States could get back to the prosperity before the war without trade with a prosperous Europe.

Quit kidding yourself that we are not all bound up together and that we can maintain a high standard of living while all the rest of the world is lowering its standard. The standard of living of all must be lowered until the destroyed wealth is replaced. Getting back to normal conditions of wages and prices will help bring this about.

Wages in Germany are low compared with wages in America. The German worker earns about 10 cents an hour in gold, but what a man earns doesn't decide his wages, it is what he earns in terms of what the earnings will buy. See what they will buy in Germany.

An American visiting Germany has written to the home folks a letter covering several features of living costs in that country. Here are a few samples:

"A ride from Hanover to Hamburg, six hours, first-class 25 cents. Lunch for two on the dining car, consisting of asparagus soup, a good drink of schnapps, a good portion of fish, roast veal, vegetables, coffee, pudding, bottle of good red wine, two liquers, at a total cost for two of about 70 cents in American currency. A taxi for two hours cost in American currency 40 cents. Dinner for three, including poultry, everything from soup to nuts and a bottle of wine at a total cost of 60 cents. Laundry bill for ten handkerchiefs, seven collars, five pairs of socks, one suit of underwear, one pajamas, 10 cents. Until recently a handsome suit of clothes could be bought at about \$10. Derby hats, 50 to 75 cents, and so on, all along the line."

We hear much in this country about the American standard of living, but if the American workman could obtain the things enumerated above at the prices quoted we could undersell every country in the world, not excepting the rice-eating Orientals.

In every great war the vanquished always seems to be the winner in the economic struggle which follows, because the under-dog has lost his pride and is willing to look upon even a chance to live as happiness. Thus the Germans are winning the war to-day. They have readjusted themselves first of all to the condition to which we all must readjust ourselves sooner or later. The failure to do this is the chief trouble in the United States to-day and is the chief thing which is delaying the turn from depression to good times. No one is willing to be readjusted or to readjust himself. He will not work much harder and he will not take less wages unless he is obliged to.

#### Luxuries Delay Better Times

Sixty per cent of the automobiles and 75 per cent of the fur coats that are so common in every part of the United States are luxuries. They delay the coming of better times. Every au-

tomobile and every fur coat that does not help in producing wealth is just so much wealth that is not capital. If the money that is tied up in it were put in the bank, it would be available for producing new goods and would become capital and one great need of the world to-day is capital. The American still continues to spend his money for all sorts of luxuries. It must be said however that the signs are more encouraging. Even with only three days work per week, factory workers are saving more than they saved a year ago when they had full time.

It must be remembered, however, that increase of capital will not do it alone,

because business men will not use capital for productive ends while the employes hold them up as the railway employes have held up the railways in the United States. There must be ample capital with lowering interest rates and a right attitude on the part of the employes in order to bring back better times.

Quit kidding yourself that you can do nothing to help bring these times for everybody sooner. It is wholly up to you. You, means every single individual in the modern world. They are all tied up together and if all of them will quit kidding themselves, the world will soon be made over.

## Tips and Bonuses Taxed

THE following statement was issued by Frank K. Bowers, Collector of Internal Revenue for the Second District, New York:

Compensation for personal services in the form of salaries, wages, commissions, fees, tips, bonuses and pensions form the principal item in the returns of millions of taxpayers. As a general rule all such income is subject to tax. However, there are exceptions, with which the taxpayer in the interests of self as well as the Government should familiarize himself.

Salaries paid to its officers and employees by a State or "political subdivision thereof" (city, town, county or hamlet) are exempt from taxation. The reason for this is that the Federal Government does not tax such activities of a State. Fees received by a notary public commissioned by a State are not taxable, neither are fees paid jurors by a State or political subdivision thereof. Witnesses in law suits, however, even though subpoenaed by State's attorney, are not considered employees of the State, and fees received by them are taxable.

The commissions of a receiver appointed by State, county or municipal court are not taxable. The commissions of an administrator or executor are taxable, because they are not paid by a State or political subdivision, but out of the estate of the deceased.

Salaries of Federal officers and employees, including those of the territories and the District of Columbia, are subject to tax. Salaries and fees paid by the United States to its ambassadors, ministers or consuls accredited to foreign countries or by a foreign government to United States citizens are taxable, and the amount spent by them for entertaining is not deductible. Fees paid a juror by the Federal Government are taxable income, likewise

the fees received by a referee, trustee or receiver under the National Bankruptcy act. The fees received by a notary public commissioned by the District of Columbia are taxable.

Annuities paid by the Government to retired employes are subject to tax to the extent that the aggregate amount of the payments exceeds the amounts withheld from the compensation of the employes. Amounts deducted and withheld from the basic salary, pay or compensation paid to employes in the civil service of the United States, in accordance with the provisions of the act providing for pensions to Government employes should be reported for income tax purposes. The total compensation of the employes should be reported in gross income. No corresponding deductions can be taken for the amounts withheld, inasmuch as such amounts are payments towards the purchase of annuities provided for in the act.

Inquiries received indicate the impression in the minds of many persons that all school teachers are exempt from payment of the income tax. Teachers are not exempt because engaged in educational work. As a rule, the salaries paid public school teachers are exempt, but only for the reason that they are employees of a State or political subdivision thereof.

The special exemption of \$3,500 allowed under the Revenue Act of 1918, persons in active service in military and naval force is repealed by the Revenue Act of 1921. Soldiers and sailors are allowed only the exemptions granted other individuals, \$1,000 if single, or married and not living with wife or husband, \$2,500 if married and living with wife or husband and the net income for 1921 was \$5,000 or less, and \$2,000 if married and living with wife or husband and the net income was more than \$5,000.



# Adequate Industrial Loan System

*Eighty-six men out of one hundred cannot borrow money at a bank to meet emergency needs despite their excellent character and steady earning power; yet these persons borrow \$100,000,000 a year*

*Written especially for AMERICAN INDUSTRIES*

By CLARENCE HODSON

Director, Legal Reform Bureau to Eliminate the Loan Shark Evil, Inc., and President, Beneficial Loan Society

**A** SOLUTION of the problem of an adequate small loans system in this country, that will serve as a credit source for the ninety-three per cent of citizens who are unable to finance their emergency needs through banking channels is one that should interest all thinking men.

Eight years of actual experience as an official in conducting beneficial loan societies devoted to this purpose, and in endeavoring to abate the oppression of "loan sharks" has convinced me that one of the greatest lacks in our social system is the failure of financiers and manufacturers to recognize the need of an adequate number of organizations conducting industrial loan banks.

It is true that within the past ten years great strides have been made in this direction, but at the present rate of progress it will be at least ten years before there is sufficient capital available to meet even a fair percentage of the demand for necessary credit.

Despite the widespread outcries that have raged everywhere against the merciless exactions of the "loan shark," only twenty-four states to-day have laws fixing a maximum rate of interest and charges for industrial loans. In all other states transactions between money lenders and persons whose assets are not acceptable as collateral for a small loan at a bank are virtually outside the law. The lender may charge whatever interest rate he can obtain, and as he operates generally as a last resort in times of emergency, this rate is usually equal to about 300 per cent and often higher, depending almost entirely on the greed of the lender and the necessity of the borrower.

In pointing out what I believe to be a great gap in our banking system, I am not criticizing the conduct of banks in refusing to make small loans to professional people, salaried men and women and wage earners generally. It is obviously impracticable for banks or trust companies to make loans of from \$15 to \$300 on the security which borrowers of these types are able to offer. The banks could not maintain their assets in sufficiently liquid form to meet the ordinary needs of their business and

they could not arrange to have these loans paid off—as they must be—in weekly or monthly instalments, adjusted to meet the surplus available from the borrowers' salaries.

## Prepared for Great Emergency

And yet the magnificent credit structure which has been built up in this country for the benefit of farmers, manufacturers, exporters and merchants is added proof of the need of some similar credit structure that will take care of the salaried and wage earning group of the American public. Without the facilities afforded by reputable licensed small loan societies during the past eighteen months, the country would have been plunged into chaotic bankruptcy and the crime wave would have risen higher. The universal depression which resulted from deflation in values, under consumption and readjustment of wages and production following the World War created an emergency which required all the skill and the resources of the country.

The application of these qualities was made possible because our general banking system (probably the best in

the world) has kept pace with the industrial development of the country. Besides meeting the ordinary needs of normal business expansion, it is prepared to mobilize the strength of the nation in a great emergency.

The scope and functions of banking have been expertly arranged to care for the needs of various classes of our people engaged in productive activities, but except in a pitifully inadequate manner, the great masses composed of tens of millions of our people are left totally unprovided for. Their needs are just as acute as are the needs of the smaller percentage of the fortunate ones who can offer endorsements or collateral acceptable to banks, and the effect of a failure to find some money supply for these acute needs is just as deleterious to our social and economic life.

## Large Numbers Fail

It is generally accepted as a fact that only seven out of one hundred persons maintain a bank account, and from the coldly statistical standpoint of dollars and cents, eighty-six men out of one hundred fail in life. Of the fourteen who succeed, but two make a marked success. Therefore, as an outside figure, fourteen men out of one hundred are entitled to bank credit which calls for collateral that is accepted under the law.

## The People Who Borrow

Who are these people who require loans that they are unable to obtain through regular banking channels?

The answer to this question may be found in a typical report of one month's business by an industrial loan company in New York City. This report analyzes, 2,444 loans, from the standpoint of the types of industries in which the borrowers were employed, and their occupations. The types of industry represented were:

U. S. Government 353, New York City 553, New York County 21, New York State 17, Manufacturing 246, Mercantile 289, Financial 83, Insurance 75, Newspapers 146, Railroads 70, Steamship Companies 11, Express 10, Telegraph and Telephone 32, Oil Companies 9, Real Estate 22, Contracting

## May 8-9-10 are Important Days

They are the days for the annual convention of the National Association of Manufacturers which will be held at the Waldorf-Astoria Hotel, New York, and every member of the Association should make all arrangements to be in New York City for this period.

and Building 31, Warehousing 11, Grocery 32, Tailoring 40, Printing and Publishing 52, Public Utilities 42, Stationery 10, Restaurant 9, Medicine and Surgery 8, No Business 16, Miscellaneous 247.

The classification as to occupation was as follows:

Clerks 247, Post-office employees 245, U. S. Employees 95, State Department and court employees 24, City Department and court employees 177, N. Y. County employees 14, Fire Department 198, Police Department 114, Proprietors and partners 344, Managers 67, Secretaries and stenographers 44, Foremen 40, Agents 33, Salesmen 113, Factory operators 81, Machinists 34, Inspectors 33, Tailors 39, Artisans 24, Pressmen, compositors, etc. 108, Teachers 18, Doctors and dentists 15, Writers 15, Telegraphers and despatchers 18, Bookkeepers and accountants 64, Conductors 3, Miscellaneous 222.

It will be seen from these analyses that no particular field of employment furnishes absolute security from temporary need. Emergencies which must be met arise at times among all classes of professional men and wage earners. The people affected represent the controlling force of the nation and in their hands rests our future.

#### **\$100,000,000 Borrowed a Year**

There is no definite method of exactly calculating the amount of money which is borrowed every year on this basis, either through legitimate money-lending organizations or from "loan sharks" but the best estimates place the amount close to \$100,000,000. Possibly fifty per cent of this loan service is supplied by "loan sharks," in the absence of licensed lenders in about half of our states, and the lack of sufficient loan capital in another group of states which regulate and license small loans, but do not allow a sufficient rate of charges to attract legitimate capital to this field. People still need to borrow money, so "loan sharks" get the loan trade on the lenders' terms, due to lack of legitimate competition arising out of an unsound law which was meant to be helpful to the poor, but in reality adds to their oppression.

There is no reason for this condition except the inattention of the public to a great necessity. As moral risks and as risks that offer obligations and security that are certain and realizable, the industrial borrower is on a par with commercial borrowers. This has been proven to my satisfaction through eight years of experience. During the entire period of operations since 1913, which are now conducted from twenty-five offices in eleven states, losses have been about one-half of one per cent per annum, which is covered by an allowance in the legal rate.

#### **Why do they borrow money?**

Industrial borrowers seek additional funds for an infinite variety of reasons, which may be grouped under five heads: (a) sickness, (b) deaths in the family, (c) to purchase real estate or to meet interest or principal on mortgages, (d) to advance the situation of their families, (e) for business reasons.

#### **Hospital and Doctor's Bills Lead**

Under these headings there come to light affecting instances of the struggle which men and women burdened with cares are making to better their condition or to maintain their families. From a series of dependable reports at hand, I may cite as typical examples of the reasons given for loans; 10 young men wanted to get married, 21 wanted to buy furniture, 12 wanted to buy cows, 11 wanted to educate their children, 26 wanted to buy a home, 40 wanted to repair their homes, 373 wanted to pay hospital and doctors' bills.

The security offered by these borrowers is adequate and realizable, but, of course, is not the type of collateral that a bank could accept. It consists generally of liens on a certain percentage of future wages, notes signed and endorsed by some friend, chattel mortgages and mortgages on fixed property. It is security of a physical character backed by the moral value of the borrower.

It was the late J. Pierpont Morgan who said, testifying before the Puno Committee, in Washington in 1912, that he based the extension of credit on the character of the borrower rather than on his assets. Loan societies must follow the same course. Their credit men assure themselves of the integrity of the applicant, his earning capacity, and his stability as a workman. Then they carefully fix the amount of the loan he can conveniently carry and the monthly rate at which it can be paid off—a process which in the main is adopted by great banking institutions in lending thousands of millions to a great corporation.

All employers recognize the fact that there is no single cause which affects the character of the work of employees more than being harrassed by debts. No man can concentrate his efforts if he is demoralized by worry and the fear of creditors. Bad judgment or extravagance may be the basis of some debts, but in the major number of cases, I have found that it is due to the normal hazards of life, i. e., temporary unemployment, sickness in the family, births, deaths, or losses through fire, or misfortune.

The average workman is totally without experience in finding a solution for these critical problems. If he is fortunate enough to find his way to a legitimately conducted lending agency, he

finds that he can arrange his affairs under their guidance so that the burden is lifted from his shoulders.

These organizations, which do not operate solely for profit, offer service to the borrowers by loans of money at a fair rate of interest, the payments to be made in monthly instalments which do not pauperize him. But they do a great deal more. Operated as they are, in a spirit of service, those in charge generally analyze the applicant's situation in life, and probably for the first time advise him definitely and helpfully how to arrange his affairs so as to clear up his present burden and avoid a similar situation in the future. They promote thrift by recommending and aiding the borrower to save his money in a bank—although to be thoroughly effective no loan society should itself engage in the banking business. That is a type of activity that is distinct in itself and has no relation to the business of making industrial loans.

All criticism should be constructive. In laying stress on the lack of proper facilities for meeting the legitimate credit needs of the great majority of the people of this great country, the purpose has been to urge public-spirited men and women in all walks of life—bankers, manufacturers, sociologists, the clergy, to canvass the situation in their city or state and to ascertain what loan laws, if any, protect the borrowers of industrial loans from the oppression practices of "loan sharks." If there are no adequate laws, then they should be enacted at once by the legislature, or perhaps a present law requires amendment only to make it effective. Several such state laws were well meant but are ineffective or have made what was a bad condition, worse.

#### **Seeks to Help Borrowers**

"The Legal Reform Bureau to Eliminate the Loan Shark Evil, Inc.," exists primarily to forward anti-loan shark legislators and inform the public and legislature of a great evil and its remedy. The Bureau is engaged actively in endeavoring to extend protective legislation for necessitous borrowers until they are safeguarded in every state in the Union. It offers freely its counsel and practical aid, not only in suggesting proper remedial legislation, but also in suggesting the most expert manner in which to organize and conduct legitimate lending agencies that will take the place of the ousted "loan sharks." For the bureau realizes that abstract laws are but a negative benefit unless concrete and constructive efforts are undertaken to make available the benefits which those laws confer.

In this connection I would like to quote A. H. Ham, Esq., at that time  
(Continued on page 38.)

# Cutting Prices Scientifically

*Being the relation of an experiment whereby manufacturers of roofing scrapped an old stand-pat policy and kept their mills busy and their employes happy all through the winter months*

*Written especially for AMERICAN INDUSTRIES*

By **CHESTER E. RAHR**  
President, Flintkote Co., Inc.

**R**ESULTS has justified the telling of this story.

Its beginning goes back to the first of last December, when some forty manufacturers of asphalt shingles and prepared roofing faced the old question:

"How can we stimulate buying during the usually dull winter months of December, January and February?"

It was especially important that a workable answer should be found this winter. Our reports convinced us that there would be a real revival of building activity in the spring, and we knew that unless dealers could be induced to violate their usual rule to buy only what they could sell during the winter, and stock up in anticipation of the spring demand, we should be hard pressed to supply them when they did begin to order.

The best way to keep a manufacturing organization keyed up is to keep it busy, and we would certainly need high speed productive capacity in the spring.

It had been the custom among manufacturers in this industry to depend for the stimulation of winter business on giving extended credit terms, or datings, accomplished by guarantees against decline in price. Extended terms meant tying up capital needed in our own business and acting as bankers for the dealers. Datings that carried a guarantee against decline in price actually meant that the manufacturer guaranteed against decline in the whole industry, although in theory he merely assured the buyer that if he cut his own prices subsequent to the dealers' order the difference would be refunded. Such a guarantee had proved unsatisfactory in the past.

Winter business could not be successfully stimulated by these old devices—so much had been clearly proved—and we were entering the month of December with the usual prospect of running for the next twelve weeks on part time.

## Keeping Up Speed

The manufacturer who undertook to work out a new method of stimulating winter production built up his

argument in about this fashion:

"Unless we run our plants at full speed, December, January and February are going to show heavy losses due to overhead expenses; we shall miss the opportunity to build factory



Chester E. Rahr

organizations adequate to take care of the spring demand; and if through lack of demand from us, felt mills, slate quarries and asphalt refineries (our sources of raw materials) are also compelled to suffer losses through part-time operation these losses must inevitably be made up later at the expense of consumers.

"September's abnormally heavy business showed us that the roofing plant which is unprepared for maximum production will be out of luck next spring; and no plant can be prepared unless it can keep its workers and insure them steady work.

"The one stimulus to which the dealer will respond is a sensational price cut. Only by offering him what he knows in his heart is a bargain can we induce him to order in sufficient volume to keep us running on full time. Prices made low enough will compel him to buy now—and to borrow from the bank, if necessary, in order to buy.

"Neither present raw materials

prices nor manufacturing profits justify a cut at this time—so much we know. However, we can easily figure out that losses on a large volume of production at a low price will be no greater than we will suffer on small volume, a constant heavy overhead and higher prices. Probably they will be less. Losses incurred through unproductive overhead are dead losses, whereas losses resulting from low prices and large volume not only increase the total of employment but also result in our customers getting their stocks cheaper, and build up good will.

## Program Looked to the Future

"But do we have to go through these next twelve weeks at an actual loss? Let us analyze the situation and lay out a program that will include not only the proposed cuts but also subsequent adjustments.

"Suppose we announce prices that are, except for higher freight rates (over which we have no control), below pre-war quotations. Suppose we overcome the dealer's hesitation and he begins to buy. He will keep on buying when the law of supply and demand causes the readjustment of prices so that losses can be turned into normal profits. We shall run during December, say, at a loss, but with the beginning of January we ought to be running, still at capacity, to fill orders which yield a profit. On the three months' operation, we ought to show an even break at least.

"Let us make our cuts drastic. Let us emphasize that we are taking this action not merely because it is good business, but also because we have a genuine patriotic interest in keeping men at work during a period of increasing unemployment. It is good economics and good business morals—and, after all, aren't these interchangeable terms?"

As licensor, this manufacturer, on December 6th, announced a reduction in the minimum prices of strip shingles that would, except for the necessity of providing for higher freight rates, have been below pre-war, or 1913 prices. He also an-

nounced material reductions in other lines of prepared roofing manufactured by him. His reductions, of course, were generally met by others in the industry.

The widest possible publicity was given the announcement of the reductions. It was circulated thoroughly in the industry, and orders began to pour into the factories. A great number of prominent men, including Secretary of Commerce Hoover, Col. Arthur Woods, active head of the President's Conference on Unemployment, W. C. Teagle, president of the Standard Oil Company of New Jersey, James B. Forgan, of Chicago, Charles H. Sabin, of New York, Daniel G. Wing, of Boston, F. O. Watts, of St. Louis, F. Edson White, Vice-President of Armour & Co., and W. F. Ramsey, Federal Reserve Agent at Dallas, were informed by telegraph of the action of this manufacturer. His reasons for taking the initiative were briefly explained, and they were asked to comment.

Col. Woods wired that the action was "as practical and patriotic a step

toward relieving unemployment and starting up business right now as has come to the attention of the President's Conference up to this time. Similar action along other lines of industry would do a great deal to provide work during the winter months, stimulate out-of-season activities and blot out the shadow of prospective bread lines and soup kitchens."

Mr. Forgan in his wire pointed out that it was not only a desirable step toward diminishing unemployment and consequent suffering in winter but would also help to prevent the growth of radicalism.

"I think there is in sight," said Mr. Ramsey, "a broader investment market and we shall see in the near future, if other dealers in building material will adopt a likewise and farseeing policy, a nation-wide program of needed construction."

"Much of the present depression in business," said Mr. Wing, "is due to uncertainty as to the future trend of prices, and your program of adopting bottom prices must necessarily inject confidence into the entire trade."

It is pleasant to record here that Mr. Wing's prediction was justified. The buying response from dealers was immediate. Incomplete reports showed that within forty-eight hours of the announcement of the new prices more than \$2,000,000 of business was booked. The prediction that adjusted prices would not stop buying has also been justified; and the roofing manufacturers have the satisfaction of knowing that they have contributed to the restoration of confidence not only on the part of dealers but also of the public.

What was done, it seems to me, illustrates the difference between standing for industrial and practical patriotism and "standing pat."

Sound economics teaches—first, morals; then, how to prosper under the pressure of unalterable economic laws. What is economic is moral, and the reverse is equally true. At any rate, the prepared roofing manufacturers are passing through a normally depressing season with a new spirit of optimism.

## Sees Danger To The Dye Industry

THE American dye industry is said to be in danger of considerable inconvenience because of the refusal of Germany to deliver the American share of dyes to the Reparations Commission until the controversy between the Textile Alliance and the minority dye interests in America is cleared up, according to information given to the Associated Press in Paris.

America has not received its share of the German dyes for more than four weeks and American experts in Europe assert that any great prolongation of this situation probably will cause wide-spread disturbance to America's newly organized dye industry.

It is asserted that while the American dye industry manufactures a majority of its own dyes, those dyes which have been supplied by Germany through the Reparations Commission are what are known as "key" dyes, and represent vital color elements without which no industry could continue for any length of time to perform acceptable work. America has been receiving the important dyes at the rate of \$2,000,000 yearly. They include dyes manufactured in Germany from processes which up to the present time remain a secret to the outside world.

When the American Government failed after two weeks to respond to

a cable dispatch sent it by the Reparations Commission on the subject of dye deliveries, or to a direct communication said to have been sent by the Textile Alliance representatives here to President Harding, Germany served notice that she did not feel called on to deliver dyes to the commission for America unless the Washington Government indicated its approval of the Textile Alliance or some other responsible agency for their receipt.

In the meantime American observers say they have been informed that Germany is quietly but effectively exporting her dyes to the United States at prices two and three times

higher than she had been credited with by the Reparations Commission. The German dye manufacturers, these observers assert, would like the Reparations Commission arrangement abolished so that she might sell direct to the United States at greatly increased prices.

It is added that the commission does not take this view of Germany, and that it probably would demand a resumption of deliveries of dyes if the matter were placed in its hands. For the present, however, the officials are credited with saying they cannot act because of the failure of the American Government to make a decision in the controversy.

### MORE FAILURES IN FEBRUARY

Failures reported to Bradstreet's for the month of February totaled 2,090 with liabilities of \$68,637,302. These returns compared with 2,705 failures with liabilities of \$115,301,371 in January, and 1,435 failures with liabilities of \$79,124,673 in February a year ago. There is here indicated a decrease of 22.7 per cent in the number and of 40 per cent in the liabilities from January, but an increase of 45.6 per cent in number though a decrease of 13.2 per cent in liabilities as compared with February last year.

The February total of failures this year, it might be noted, sets up a new high record for the number of suspensions in that month exceeding February, 1915, hitherto the peak second month of the year in failures by 12 per cent. The liabilities, however, were, as already shown, exceeded in February, 1921. Compared with February, 1920, the low point second month for twenty-eight years past, failures are almost four times as numerous, while liabilities in the month just closed were over five times those of February, two years ago.

# Employee Welfare Work That Pays

*How employers and employes are dividing responsibilities in a health and insurance service that apparently is giving benefits and bringing about higher percentage of production and service*

Written especially for AMERICAN INDUSTRIES

By HAROLD A. LEY

President, Fred T. Ley & Co., Inc., and of the Life Extension Institute

**T**HERE are three things that every employe should be thinking about:

1. What is going to happen to me or mine if I am taken sick?
2. What is going to happen to my family if I should die?
3. What is going to happen to me in my old age?

Any employer who can help his people solve these problems is bound to increase the good will of his people. This good will is the most valuable asset that any employer can have. The employe who does the thousand and one things during the year that saves the concern money because he is satisfied and is anxious to see the concern prosper is the type of employe that every employer is looking for and is the last person that is let go during hard times.

The way to start any work of this kind is to find some common ground where the employer's and employe's interests are identical. The health of the employe is one thing where their interests are identical, and this should be the foundation on which to start building any plan to improve the relationship between the employer and the employe. It is the employe's most valuable asset, something he should value even more than wages, because his wages will depend on his physical condition. The employer is vitally interested in his employes' health for his output is dependent on the health of his employes. One important man dropping out at a critical time may seriously affect the output of the entire organization.

The question of improving the employe's health is something that should be handled by the employes themselves, but the employer can well afford to help pay a part of the expense incurred in improving the health of the employe.

The testimony of many employment managers is that mutual benefit societies seem to be a very effective way of handling problems of this kind, especially where they are run by the employes themselves and where

the employes pay a part of the expense.

## Running Fifty Years

There are mutual benefit societies that have been in existence for fifty years where the men have been paying the entire expense and are still functioning successfully. The average employer or employe does not realize what modern medical science can do in detecting the early signs of trouble and how easily these troubles can be corrected.

The following plan is based on an association run by the men themselves. The writer believes the less



Harold A. Ley

the employer has to do with the running of such organizations, the better chance it has for success. It is imperative that the employer should see that men with some executive ability are chosen as heads of the association and then should leave them alone.

If the employes are going to organize a mutual benefit association which requires each member to contribute towards the expense, it must be optional for each employe to decide whether or not to join.

All persons who come into the organization will have to be convinced beforehand that they are getting more

for their money than they can in any other way and that they cannot afford to stay out.

The plan contemplates combining group life insurance, group health and accident insurance as written by the various insurance companies and a group health service which contemplates a very thorough examination and report paid for jointly by the employer and the employes. A combined saving and pension plan can be added later on but should be limited to those who join the mutual benefit association.

Group life insurance for \$1,000 can be bought from a number of different insurance companies for about \$10.00 per year per person. The cost will vary in every concern depending on the average age of the group. Employes can get this insurance without a physical examination and regardless of age. A man who cannot buy any insurance on account of his physical condition will welcome and will try and interest other employes in any plan that enables him to get this insurance. Some companies pay the total amount of the life insurance when a person is totally and permanently disabled. All companies writing group insurance require, where the employes pay part of the expense, that 75 per cent of the total number of employes eligible shall take the insurance.

Health and accident insurance paying \$10.00 a week for twenty-six weeks, beginning at the end of the seventh day, for any sickness or for any accident occurring outside of the plant can be bought from a number of different insurance companies for \$10.00 per year. This cost will be increased where the number of women employes is over 20 per cent and if the industry is a particularly hazardous one. The cost of this kind of insurance has been increasing and the writer believes the reason for the increased cost is due to the fact that the employes themselves do not get the benefit of any savings that result from improving their health or from keeping down malingering. Just as long



as the insurance companies or the employers get the benefit of the dividends or savings just so long is it going to be impossible to keep down the cost of this kind of insurance.

There are mutual benefit societies that have been in existence for years where the men have been getting the benefit of the savings where it has not cost more than \$8.00 per year per person for the same benefits. Therefore, to get results it is absolutely necessary that the men should be interested in keeping the cost down to the minimum. To do this you must give them all the savings that result from keeping the costs down. A group health service which gives each member once a year a thorough physical examination and a report and recommendations based on his health problems, daily habits, medical and laboratory findings can be bought for \$4.00 to \$6.00 a year, depending on the number of employees in each plant. The cost is based on the examinations being made by a specialist at the plant who will take from forty-five minutes to an hour for the examination of each individual.

This total expense can be divided between employer and employees on some 50-50 basis, as described below. It may be wise to divide the employees into different groups depending on their wages. For instances, those earning up to \$1,000 can be put in Class A and pay 25c. a week. Those earning \$1,000 to \$2,000 in Class B and pay 50c. a week. Those earning over \$2,000 into Class C and pay 75c. a week.

#### Persons Earning Up to \$1,000

##### Class A

\$1250 life ins. @ \$10.....	\$12.50
\$10 a week health ins. @ \$10.	10.00
Health service .....	6.00
	<hr/>
	\$28.50

Amount contributed by employees 25c. a week, or \$13.00 a year.....	13.00
	<hr/>

Balance to be paid by employer .....	\$15.50
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#### Persons Earning \$1,000 to \$2,000

##### Class B

\$3000 life ins. @ \$10.....	\$30.00
\$20 a week health ins. @ \$10.	20.00
Health service .....	6.00
	<hr/>
	\$56.00

Amount contributed by employees 50c. a week, or \$26.00 a year.....	26.00
	<hr/>

Balance to be paid by employer .....	\$30.00
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#### Persons Earning \$2,000 to \$3,000

##### Class C

\$4500 life insurance @ \$10...	\$45.00
\$30 a week health ins. @ \$10.	30.00
Health service .....	6.00
	<hr/>
	\$81.00

Amount contributed by employees 75c. a week or \$39.00 a year .....	39.00
	<hr/>

Balance to be paid by employer .....	\$42.00
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##### Yearly Payroll

The total cost per year for a group of 100 persons for example composed of:

60 employees in Group A earning \$1000 a year.....	\$60,000
30 employees in Group B earning \$2000 a year.....	60,000
10 employees in Group C earning \$3000 a year.....	30,000
	<hr/>

60x\$28.50 .....	\$150,000
30x\$56.00 .....	1,710.00
10x\$81.00 .....	810.00
	<hr/>

Total cost .....	\$4,200.00
60x\$13.00 .....	\$780.00
30x\$26.00 .....	780.00
10x\$39.00 .....	390.00
	<hr/>

Amount contributed by employees .....	\$1,950.00
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Amount contributed by employer—1½% of yearly payroll .....	\$2,250.00
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These figures will vary in every different plant but we think they are conservative.

The writer believes that if this plan results in employees taking a real interest in improving their health—which it does—that it will reduce the payroll enough to reimburse the employer for every cent that he has contributed to the plan.

The employer is vitally interested in the health of the employee for his output is directly affected by the health of his people, and if he can do anything to get them to take an interest in improving their health he is justified in spending some money to accomplish this end. His people don't have to be sold the benefits of life insurance as proven by the fact that one large life insurance company has 25,000,000 policies and another 20,000,000 policies among the working classes of this country who are buying what is called industrial insurance where the agent collects the premium every week by visiting the homes of the workmen, which is necessarily very expensive insurance. Group insurance is the least expensive kind of insurance.

Thirteen dollars a year will buy about \$350.00 worth of industrial insurance at the age of 35, so if it can be offered the employees to give \$1,250 of insurance for the same price that they are now paying \$350 for it does not take very much of a salesman to sell them this plan. In addition they will receive \$10.00 a week health insurance and a health service.

Employees are interested in buying health insurance, mutual benefit associations and fraternal organizations giving such protection have been in existence for fifty years or more and in such organizations the employees have been paying all of the expense.

The employer might justly ask, "Why should I be asked to help pay for life and health insurance? What I am interested in is production, and I do not see where it is going to increase my production to pay a man's family something when he dies. Neither do I get anything when an employee is absent on account of illness and if I fix it so that they are paid when absent for illness the chances are they will stay out a little longer than they would if they were not getting paid, and what I am interested in is seeing my people at work." I can hear some idealists say that these people will work better if they don't have to worry about these problems and I agree with them, but we must not forget that there are a lot of employees in the world that would take advantage of a situation of this kind if they can.

An employer may justly say to his people, "I am willing to pay for part of the expense, providing you will agree to take a real interest in improving your health, for it is from the increased production that comes from improved conditions of my people that I am going to get the increased profit to pay for my share of the expense." He will find his people need some such plan to interest them in their health.

Improving the health of the employee offers common ground where both employee and employer can get together and where their interests are identical. Therefore, it is an excellent basis on which to build up better relationship.

Improving the health of the employee fits into a mutual benefit association in an especially effective way where health and life insurance are the main features of the association.

You cannot improve the health of a group without at once cutting down the cost of both life and health insurance. It should also result in reducing the cost of liability insurance. The employer can and should provide

(Continued on page 46.)

# TRADE OF THE WORLD AND FOREIGN TRADE OPPORTUNITIES

Conducted by **WILLIAM M. BENNEY**

*Manager, Foreign Trade Department, National Association of Manufacturers*

## Manufacturer And Export Merchant

*Representative committees of producers and shippers express their views with respect to terms of payment and cash discounts on Export shipments under present conditions affecting world business*

**P**AYMENT in ten days from presentation of invoice with the best cash discount have been the terms which the manufacturer for many years has been led to expect when selling goods for export. The export merchant himself has frequently used the argument of prompt cash, or cash within ten days, as an inducement to the manufacturer to grant the highest discount for export shipments.

Under normal conditions of world trade these terms have usually been satisfactory to both sides. But with the abnormal conditions which have prevailed since the armistice and the reaction which set in two years ago there resulted obstruction to the ordinary course of financing foreign shipments and the expert merchant has been a chief sufferer thereby.

As a consequence the export merchant has looked to the manufacturer for some relief or at least a little more direct coöperation in lessening the heavy burden which the merchant feels has been imposed upon him by conditions beyond his own control. The subject has been taken up by the American Exporters and Importers Association of New York, a body comprising in its membership the leading export merchants of the country, and the Export Trade Committee of that association presented the subject to the National Association of Manufacturers in 1920 and again in 1921, the result of the last presentation being a special report on the matter made by the Foreign Trade Committee of the National Association of Manufacturers, which report was printed and sent to all the members of the Association on January 28, 1922, accompanied by a letter from Mr. Edgerton, president of the Association.

This letter and report follow.

(The Committee of the American Exporters and Importers Association consisted of William H. Douglas, of Arkell & Douglas, Inc., Chairman; Henry A. Goode, of Wonham, Bates & Goode Trading Corporation; George U. Kirkpatrick, of Smith, Kirkpatrick & Co., Inc.; William H. Knox, of Wm. H. Knox & Co., Inc.; William C. Wulp, of William E. Peck & Co., Inc.)

National Association of Manufacturers of the United States of America. General Offices: 50 Church Street, New York City.

January 28, 1922.

To Members:

On November 29, 1920, this Association sent to all members a printed letter embodying certain requests of leading American export merchants, as expressed by a committee of the American Exporters and Importers Association, and asking for these requests the sympathetic consideration of our members.

In the latter part of 1921, the export merchants asked the Association once more to use its influence in their behalf in the same matter, which request was submitted to our Foreign Trade Committee, whose report on the subject is presented herewith.

As our Committee is composed of men having wide and long experience in handling export business, we ask our members who have dealings with export merchants to give our Committee's report and recommendations their most serious attention.

J. E. EDGERTON,  
GEO. S. BOUDINOT, *President.*  
*Secretary.*

Report of Foreign Trade Committee of the National Association of

Manufacturers on the request of the American Exporters and Importers Association for More Favorable Terms of Payment on Export Shipments.

*To the President of the National Association of Manufacturers:*

The American Exporters and Importers Association testify to the good effect of a letter which the National Association of Manufacturers sent to its members on behalf of the export merchants on November 29, 1920. Because abnormal world trade conditions which led to the request of the exporters in 1920 to a large degree still prevail, and because many manufacturers now appear to overlook the position of the export merchants as described in that letter, the latter having again referred their request to our Association in the same manner as before. The request is as follows:

1. We request that manufacturers who may have orders on their books for the exporter, shall not forward the goods without notifying the buyer that they are ready for shipment and obtaining his consent to forward.

2. Terms for payment to be arranged as follows:

Goods sold f. o. b. New York or f. o. b. vessel to be paid for 30 days after arrival in New York or delivery to vessel.

3. Where goods are shipped from inland places manufacturers to have the privilege of drawing on the buyer with shipping papers attached at 60 days' sight from date of inland B/L, or to tender the goods to the buyer on arrival in New York and grant 30 days' terms of payment.

4. Cash discounts to be allowed the buyer as usual in all cases notwithstanding these deviations in payment dates from present manufacturers' terms.

5. Above terms of payment to apply to all goods now in transit.

The matter having been submitted to your Committee, a meeting of your Committee with a committee of the exporters' association was held on October 26, and the subject of the relation of the manufacturers to the export merchants discussed. Final decision with respect to the action this Association might be recommended to take was deferred to await result of further consultations between the two countries. Your Committee held a second meeting on January 19, and begs to report as follows:

Your Committee assumes that all manufacturers use the same prudence in dealing with merchants whose clients or customers are found abroad as with those whose dealings are wholly domestic, and, once confidence is established, that they are willing to give to the one as to the other equal and as liberal treatment as the usage in their respective lines allows.

That being the case, there can be no objection to complying with request No. 1 of the exporters to the extent of giving reasonable notice.

Suggestions 2, 3 and 4 are practically one, and is the chief one to be considered, namely, the terms on which export merchants shall be sold and whether there should be any discrimination in these terms as between the export merchant and the domestic wholesaler.

The present general terms for export of limiting the cash discount to payments within 10 days are largely the result of practices encouraged by the export merchants themselves, a large proportion of whom have large capital, and ordinarily desire to take advantage of every economy, and are usually prepared to pay within this limited period for the best cash discount. The extent of this discount and the exact use to which it may be put may be debatable, or vary according to the kind of goods handled, so that no fixed rule in this matter can be made by any one body for application to all manufacturers and all classes of goods.

The chief arguments made by the American Exporters and Importers Association in support of their request are:

1. American banking methods cannot satisfactorily handle the situation created by the ruinous exchange rates.

2. As a consequence, American exporters are now called on to finance out of their own resources a substantial volume of the export trade in this country which should be handled by banking capital.

3. The exporter now is rarely able to obtain more than an advance of

from 50 to 80 per cent on his capital outlay, representing the cost of merchandise and transportation charges, and for which in every case he now pays in cash before ocean shipment is actually made.

4. That many American manufacturers appear to unjustifiably discriminate between the exporter and the domestic merchant to the disadvantage of the former.

5. That foreign buyers purchasing direct from manufacturers are given the same or lower prices and on credit terms, when at the same time the exporter is called upon to pay cash, on, before or immediately following delivery at seaboard.

6. That a great deal of publicity is given to the matter of extending more liberal credit terms to foreign buyers, but little reference made to similar needs of American exporters.

7. That 30 days' payment terms should not forfeit the customary established cash discount given foreign traders, as it should not be considered as credit, but simply a reasonable time to cover length of time required to permit of the exporter receiving his goods, making delivery to steamer, preparing shipping documents and financing his exchange.

8. That they clearly explain that the granting of such payment would be based upon the approved credit rating of intended purchasers and that the business record and credit rating of exporting houses should be as readily ascertainable as that of a domestic buyer.

With respect to numbers 1 and 2 of this argument, your Committee would point out that the controversy is between the exporter and the bank and not between the manufacturer and the exporter. It is hardly to be expected that the manufacturer take the place of the bank; in fact, the exporters have always taken the ground to a seller that they were in a position to transact business for him and take the risk and responsibility with either loss or profit.

With respect to number 3, the trend of business in general, and particularly in these times, point to the necessity for exporting houses organizing to do business on a large scale, which means having a large capital or large credit account. The future exporter and importer must be financially strong and he must act as a legitimate distributor similar to the properly financed domestic jobbing house.

With respect to number 4, we consider that discriminating in terms against the export merchant as compared with the domestic usage is the exception and not the rule. On the other hand, some if not many manufacturers have been more liberal with

their export connections than with their domestic.

As to number 5, this may be a matter of policy on the part of the manufacturer, which may involve the question of control of the customer as against the policy of permitting the exporter to control the output of the manufacturer. Again we have also the other side of this matter in which many manufacturers protect the export house with a better discount than they extend to foreign customers sold direct.

Concerning numbers 6, 7 and 8, your Committee cannot advise allowing 30 days after delivery to steamer, which might mean almost any time after shipment from the factory or date of invoice. Cash discount is a premium for prompt payment, and if terms were extended, it would then be in the nature of a sales discount, which should not be confused with a cash discount.

As a general proposition, however, particularly in view of the abnormal conditions prevailing in world trade at the present time and likely to prevail for an indefinite period, it is the opinion of your Committee that the extension of time from 10 days to 20 days with the customary cash discount might in fairness to the position of the export merchants be granted them without hardship by the makers of most lines of manufactured goods whose factories are sufficiently remote from ports of shipment.

In this matter we are not actuated by any desire to interfere with the settled policy of an exporting manufacturer nor to influence him with respect to cultivating trade with other countries directly or indirectly.

But to those manufacturers who utilize the facilities afforded by export merchants and who appreciate to how large a degree our foreign trade has been built up through the enterprise of our merchant exporters and the fact that a very large proportion of our exportable products will continue to be handled by them, we earnestly advise the closest coöperation and conscientious effort to afford the exporters in handling their foreign business advantages equal to those given to their connections for the domestic market.

Respectfully submitted,  
C. K. ANDERSON, *Chairman*;  
I. S. BETTS,  
CHARLES W. CRANE,  
STEVEN DE CSESZNAK,  
A. W. FEUSS,  
CHARLES S. GAWTHROP,  
EDWARD H. SANBORN,  
WALTER F. WYMAN,  
*Foreign Trade Committee.*

WM. M. BENNEY,  
*Secretary to Committee.*  
New York, Jan. 19, 1922.

# South American Conditions

*Substance of a reply to a member of the National Association of Manufacturers as to the advisability of sending a representative to South America to inquire into trade possibilities*

*Written especially for AMERICAN INDUSTRIES*

By M. GONZALEZ

Chief, Latin-American Trade Division, National Association of Manufacturers

**P**RESENT conditions in South America, while not yet good, are far from being as bad as two years ago, when, without exception, all those countries were struck by an extremely severe crisis. During the last six months things have changed and at present they are decidedly improving. Naturally the improvement varies in relation to the amount of natural resources and vitality in each of the ten republics.

Wheat, corned beef and wool, leading products of Argentina and Uruguay, are in better demand and at higher prices.

Coffee, constituting the most important source of wealth in Brazil, Venezuela and Colombia, is selling at good prices and is considered as a good seller for some time to come.

Hides and skins, which for a long period had little demand, are at present more active and, while the prices are yet low, they are remunerative.

Iron, copper, tin and other mineral ores whose prices have dropped so greatly because of the reaction in business in the manufacturing countries will be among the first products to rise in price when industry again becomes active, of which there is now distinct evidence in more than one country.

Lumber, especially cabinet and fancy woods, are very much looked for.

Cocoa and ivory nuts, the leading products of Ecuador, are yet very much depressed. Rubber from Brazil, Peru, Venezuela and Colombia is suffering from the stagnation of the tire industry here and in Europe.

Cotton from Peru is in fair demand. Nitrate from Chile is yet struggling for more demand and better prices.

Sugar from Brazil, Peru, Colombia and Venezuela is quoted at unremunerative prices, but fortunately finds a ready market at home and is not by any means one of the leading products in any of those four republics.

We may say without being accused of extreme optimism that South American commercial skies are decidedly clearing and that American exporters can look forward to growing trade with greater assurances now than they have been able to within the last two years.

One of the happy circumstances to be taken into consideration regarding the majority of those countries is that the causes of the depreciation of their exchanges are not the usual ones of

inflation or primarily of excess of imports over exports. Inflation has not taken place, and the balance of trade is favorable. The causes are to be found in the necessity for remitting large sums abroad for the service of public debts and for interest on the great amount of foreign capital invested there, particularly in Argentina, Brazil, Chile, Uruguay and Peru; the absence of new capital investment, which before the war was always a feature of their trade balance; freight payments abroad on both imports and exports; and the remittance of exceedingly large sums of money to Spain, Italy and other parts of Europe by the nationals of those countries established in Brazil, Argentina, Uruguay, etc.

All Latin America was affected by the world-wide trade depression which started during the last half of 1920 and kept on during the whole of 1921. All are now familiar with all the details of this universal calamity, viz.: over-ordering by importers; depreciated exchanges; break in prices in manufacturing countries; excessive stocks of merchandise on orders placed at high prices when exchange was favorable; buyers and consumers resistance, etc., etc.—the long black list of the troubles which were prevailing not long ago and which contributed to the adoption by the majority of a policy of pessimism from which we are at present happily emerging towards the realization of a better future based upon a more solid foundation formed by coöperation and mutual confidence.

For many years before the war South America had been an extremely profitable trade field for our products, and there is no logical reason for not thinking, now that American manufactures are better known and more appreciated there, that the field would not be open for our products to a greater extent and advantage.

The time is ripe for us to go there and to keep on cultivating friendly relations with our good customers and to find out through personal and unbiased observation to what extent the crisis has affected those markets, what our competitors are doing there and how we can meet their competition.

## NOTICE TO MEMBERS

of the National Association of  
Manufacturers  
Changes in Foreign  
Trade Department  
Regulations

By authority of the Board of Directors, I beg to announce the following changes in free services to members, effective April 1, 1922:

**CREDIT REPORTS:** Number of reports on credit risk of foreign business houses to be furnished a member in any one year without charge, three instead of five.

**TRANSLATIONS.** Number of letters to be translated free of charge for a member in any one year, ten instead of twenty-five.

All expenses connected with these important lines of work as well as with other activities of the Association have greatly increased in recent years, but the Association has made no change in the privileges accorded members.

Therefore, if a member takes advantage of all the services open to him free of charge, the cost to the Association would be more than the annual membership fee. Under these conditions, we believe all our members will agree that the above reductions are reasonable and warranted in fairness to the whole membership.

Full particulars regarding the many services available to members through the Foreign Trade Department and the terms when charged for are given in a printed booklet which will be sent to any member on request.

GEORGE S. BOUDINOT,  
Secretary.

# Merchandise Stored In Cuba

CUBA, one of our best foreign markets, as all know, was one of the countries which suffered most in the reaction from price inflation which set in about two years ago because of the very great drop in the price of sugar, Cuba's chief product.

As a result Cuban merchants found themselves with large stocks of goods on hand and further heavy shipments on the way to them with no prospect of profitable disposal of the merchandise.

Practically all Cuban merchants were compelled to ask for extension of time for payment and many refused to accept the incoming goods, with the consequence that custom houses soon were congested and arriving vessels were unable to unload.

These conditions prevailed for many months until arrangements were made for storage of much of the goods in warehouses in various parts of the city

and places around the harbor, permitting vessels to unload. With the depression in the Cuban market and the consequent inability of the merchants to meet their obligations there soon arose the question of how to dispose of the stored goods. In many cases storage charges were rapidly nearing actual market values. Despite individual and coöperative efforts on the part of creditors to settle with debtors it was estimated in December last that from sixty to eighty million dollars worth of merchandise still remained in storage unclaimed in and about Havana. The Government of Cuba had proposed to sell much of this merchandise to meet storage charges in February, but on protest from American creditors and officials the time of sale was extended to May.

To secure a fair idea of the value of the stored merchandise an inventory was necessary, the cost of which neces-

sarily must be large. The National Association of Manufacturers was approached on the matter of taking an inventory. The organization in turn sent a questionnaire to all of its members to ascertain to what extent they were individually directly interested. It is some satisfaction to learn as a result of this inquiry that no member of the Association is seriously affected by the condition described, or, if so, has not so far advised the Association of the fact.

This, of course, does not refer to the very many overdue accounts for accepted goods which many members have against firms throughout Cuba, efforts to collect or adjust which are pending on the part of individuals, committees, banks and underwriters.

The question of the actual quantity and value of the stored merchandise as yet not entered at the Cuban custom house is still a burning one.

## ADEQUATE INDUSTRIAL LOAN SYSTEM

(Continued from page 30.)

Director of the Division of Remedial Loans of the Russell Sage Foundation, New York, the pioneer in remedial loan legislation, who said as long ago as 1911:

"A successful program for minimizing the evils of small loans must include competition and constructive legislation. The competition must take the form of semi-philanthropic loan agencies in the pawnbroking and chattel-loan fields, supplemented by the investment of honest capital on a reasonable money-making basis. Let us not forget that the operation of loan agencies under conditions approaching justice will do more to remedy the small loan evil than any number of laws based on suppression."

### The Better to Drive Out the Worse

The Hon. Raymond Fosdick, who was United States Commissioner of War Camp Activities, and who is a well known economist and sociologist, in an address before the Academy of Political Science, in New York said, discussing Mr. Ham's suggestions:

"Before any campaign to oust the loan shark can be effective, there must be some agency equipped and prepared to take its place. Indeed, no campaign of extermination will ever succeed. No amount of condemnation, will ever be effective. No negative laws, however drastic, can permanently relieve the

present abuses. As long as we have citizens who want to borrow money—and we shall always have them—so long will loan agencies of some kind continue, and it is only the better sort that will succeed in driving out the worse.

"So I say that any constructive program, such as the one that Mr. Ham has outlined, which aims at the substitution of remedial institutions for loan sharks is the only plan which can effectively and permanently improve the situation."

Thus it can be seen that my criticism regarding the lack of beneficial loan societies is not one peculiar to myself or to the immediate present. It is a situation which from time to time engages public attention (as new oppressions of "loan sharks" come to public notice), and then in the rush of other events, fades into obscurity. But each agitation aids in improving conditions, it aids in the extension of reputable loan agencies, the passage of sound protective legislation and the gradual elimination of the "loan shark" evil, state by state.

To-day, more than ever before there is need for reopening the fight against "loan sharks." They are parasites draining the strength of the country and leaving in their trail social and economic disorder and unrest at a time when stability is most needed. The cure for this evil rests in the hands of the people who possess the influence and wealth to curb it.

## NEW SPANISH TARIFF ENACTED

According to a cablegram to the Department of Commerce from Commercial Attache Charles H. Cunningham at Madrid, under date of February 14, 1922, a permanent customs tariff of Spain has been finally enacted, effective February 16, 1922, with the exception of the duties on petroleum and certain tropical produce, which went into effect immediately upon publication in the Gaceta de Madrid on February 13. Increases in duties will not affect shipments enroute before February 16, or those already covered by a direct railroad or steamship bill of lading viséed by a Spanish Consul in the United States on that date.

This is the permanent tariff revision which replaces the temporary tariff which has been in effect since May 21, 1921. Since its presentation in draft form by the Spanish Tariff Commission on July 8 last, the bill has been subject to very considerable modification. During the period of two months allowed for presentation of claims, informal representations were made to the Spanish authorities by Commercial Attache Cunningham on behalf of over forty different lines of American goods, the trade in which seemed likely to be injuriously affected by the proposed new duties, and in many instances modifications of the proposed duties or more favorable classifications for certain American products have been secured.



# The Americanization Of Europe

*Shoe-making machine, typewriter and safety razor helped blaze the way for the mammoth machinery that was employed so efficiently during the war and which is being used by numerous countries*

Written especially for AMERICAN INDUSTRIES

By JOSEPH KUCERA

SOME nations imposed themselves on history by their excellence in art and philosophy, others with blood and iron, while business and cunning was the weapon of still others. But our page in the world's history will read the "Period of Industry," and its writing is on the way.

Who would have thought in 1900 that American shoe making machinery, in less than ten years after its inauguration in Europe would find such an impressive appreciation in the shoe industry as to have the shoe trade adapt the American flag for its symbol in many countries? When one walks the streets of the cities in Central Europe and sees the Stars and Stripes painted on a boot of a shoe store sign he is indeed shocked. Yet, on second thought, perhaps a subconscious twist of the sentiment, and instead of protesting one finds himself full of admiration for the American flag symbolizing the shoe industry in Central Europe.

In days gone by, you could step off the Orient Express in some of the European "Wild West" countries in the Balkans, walk into the nearest store, and if you were an experienced traveler, you would not have been the least bit surprised to hear an American cash register bell ringing a welcome to you from some corner of the store.

## Developed European Industries

Safety razors made their appearance almost simultaneously with the typewriter and other labor and money-saving devices. American precision tools and machinery were practically responsible for the development of modern industries in Europe. The automobile industry, in particular, from its very inception, depended greatly on American gear cutting and automatic machines.

Thus the Americanization of the world was quietly on the way. It meant work, efficiency of production depending on increased consumption, because of accessibility to the product at low cost in instances where, if manufactured by the old process of skilled labor, millions would have had to do without.

"It's American," was the natural re-

action to everything miraculous and mysterious in use or construction. And they were nearly always right. I remember a friend telling me of an incident that happened only ten years ago. He happened to exhibit the various applications of an ordinary combination square in the tool room of one of the most reputable special machine factories in Central Europe. A group of the most highly skilled mechanics of that part of the world lost their breath in dumb-founded amazement at the working of a combination square: "These Americans!" they laughed and admired.

The peaceful American industrial conquest of the world had a temporary recess during the war. It is true, that Europe's demand on our industries and raw materials was greater during that period than ever before. Yet, it was a chaotic dumping of goods and food-stuffs into chaotic countries, where they lost their identity in the market. Under the stress of war, civilians did not inquire about the origin of materials or manufactured articles any more than the soldiers did about the origin of ammunition. A 75 mm. shrapnel was just an efficient means to liberty and was distinctly French because it was a seventy-fiver, although it might have been made in New Jersey. Likewise was an American typewriter a war efficiency tool to a civilian who had never used or probably not even seen a machine before and had no time to concern himself about its origin.

## "American" a Household Word

This psychology prevailed throughout Europe, in Allied countries and those of the Central powers as well. It is a well known fact by this time that great quantities of American goods and raw materials found their way to the enemy countries through neutrals. To account for their identity, however, would have been considered just as uncalled for as it was in the Allied countries.

At the moment the United States entered the war, though, American goods began to assert themselves vehemently. This was due to the unusual efficiency of our army men in France on one hand and the enormous quantities of

American materials they brought with them on the other. Again "American" became a household word and anything speedy, efficient or simple, could not have been anything but American. And by the time our army left France—leaving billions of dollars worth of war materials behind, "American" was so well established that it could be envied by the "Made in Germany" of pre-war days. These materials, after the Armistice, found their way into the remotest corners of Europe, places which the American exporter had probably never heard of before the war. All this material has really been acting for American business and efficiency as excellent advance agents.

## America Source of Supply

Of course, it was not these commodities alone that made America the chief exporting country to Europe after the Armistice. After the short lived period of post Armistice boom had spent itself, when the countries of Europe suddenly realized that they had exported everything accumulated during the war—when it was impossible to move it to foreign markets—and were facing the problem of regenerating their purchasing power or starving, they again had to turn to the United States for raw materials, credits, food-stuffs and other commodities. All these were readily advanced—to a certain limit, of course—when American business had to stop and investigate the assets of European nations as credit customers.

From that time on, the American penetration of Europe assumed a new character. After investigation of the assets of most of the countries in the Old World, American capital came to the conclusion that extensive credit business with these countries was not a sound proposition, unless they would be put on an efficiency production basis and consequently capital began to solve the problem from that angle. At the outset, when this underproduction fact and consequent waning purchasing capacity was realized on both sides of the Atlantic, European capital and governments alike objected to American capital being invested in industries of their countries. Fearing the final

American domination of these industries under circumstances evolving from such assistance from United States, they put the last grain of energy left them by the exhausting war into the desperate efforts to put their production on at least a pre-war basis. After all this energy proven futile, however, they turned to American capital and industries again. To-day the Americanization of Europe is continuing in its peaceful conquest begun over 20 years ago, just as much on invitation now as then.

Cotton, one of our greatest export materials, became the pioneer of the post war American penetration of Europe. The cotton people, finding themselves suddenly without a market, faced a difficult alternative for a time, having either to sell on long term credit or let the cotton rot in the South. But they could not afford either, no more than Europe could afford to have her textile factories idle while her people were without clothes. The problem had to be solved for the interest of both. The American cotton interests took the attitude of moving the factory to the market because the market could not come to the factory. They began to operate on this principle in Germany, Czecho-Slovakia and other Central European countries. The cotton is shipped from United States to the factory, is manufactured into goods under American supervision while retaining its original ownership; the finished goods are sold in the open markets of the world and profits divided according to contract between the cotton interests and the European manufacturer.

#### American Tractor Busy

Whether it is lack of ambition or physical inability on the part of the European farmer when it comes to returning to his pre-war production capacity, it is difficult to determine. The fact is, that farm labor is not producing its pre-war quota, which would have meant in time gone by starvation and famine. To-day, however, the American tractor steps in to procure from Mother Earth the most food within the shortest possible time.

The American tractor, in spite of unfavorable international money exchange is on its victorious march through Europe, conquering the primitive East as well as the civilized West, now at home in all countries or regardless of creed or language, because it speaks the language which to-day all nations are eager to acquire—efficiency.

While in the Western, more advanced countries, the introduction of the American tractor is a comparatively simple matter, it is beset in the East by many difficulties requiring lots of patience and determination. In most

of the countries east and southeast of Germany the American tractor people are not only facing European competition but they are confronted by the superstition and ignorance of the peasants as well, and, in order to introduce power labor into agriculture they must educate these peasants to the job. Difficult as this task may appear and in most cases is, it has its moral compensation in the admiration generously awarded to the teacher by the simple "mouzhiks," who, once they do acquire the tractor habit, cling to it with more tenacity than they did to the superstitions of the past.

At one of these American tractor demonstrations near Posen in Poland last June thousands of peasants gathered from a 20-mile radius, afoot and by all possible conveniences, including special trains, to witness the American machine at work. They came not only to admire American ingenuity and efficiency of which they are so desperately in need, but in order to learn to use the tractor.

#### Westward March Now Going East

Somehow, we have always been at odds with the conventionalized standards of our European forefathers who took it finally for granted that anything done in an unusual way is American. To live up to this reputation, by some queer homogeneous impulse of the entire American nation, civilization seems to have been stopped on its westward way in the United States contrary to historical traditions. We have put even civilization to work and are turning her westward march in an eastward direction.

In the line of fundamental necessities American enterprise in Europe gained an excellent vantage point in Czecho-Slovakia. After negotiating with the government of that country for many months, in spite of the serious objections of domestic interests, the Standard Oil Company of New York has finally, a few months ago, entered a working agreement with the government of Czecho-Slovakia, whereby the American company obtained a five-year lease on all the oil wells owned by the government and has the right to bore new wells within the boundaries of the Czecho-Slovak republic for a period of five years, for the consideration of one million dollars. Of the interests in the venture, the American company holds 50 per cent of the shares, the remaining 50 per cent being held by the Czecho-Slovak government and by domestic interests, 30 and 20 per cent respectively. Since new oil fields were discovered in the republic recently and a great area of her oil district has not been bored yet, and most likely would not have been so soon had it not

been for the New York company's enterprise, the agreement is now considered a very satisfactory one by all parties concerned, because much faith is placed in American enterprise.

#### Invasion in Full Swing

But not only in fundamentals is the American invasion of Europe in full swing. Besides so many standard articles domiciled in Europe long before the war, American industries and business are gradually and persistently introducing American habits on the other side of the Atlantic. Chewing gum in England is one of these habits, in the cultivation of which the American manufacturer was greatly aided by the returning English soldiers from France. American fountain pens, adding machines, canned goods, knocked down Grand Rapids furniture put together in a factory in Paris, American knocked-down houses—there is scarcely anything which stands for efficient production and home comfort in the United States that a traveler would not encounter in Europe, even in Russia, where the authorities are over anxious to grant concessions to American enterprise, and immigrants, returning from United States have no other idea but to Americanize everything in the country, from Moscow to Vladivostok.

These returning immigrants, the "Foreign Language Citizens" as we term them here, are the most ardent advance agents of Americanization of Europe and if their zeal could be realized only partly, the Old World's Americanization process would be so thorough and speedy as to amaze Americans themselves.

#### BUILDING TRADE REFORM SIGNED

(Continued from page 26.)

Colonel Hayward and his staff of special assistants, covering a period of several months' work in conjunction with the Department of Justice in the investigation of building trades and the housing situation, which has resulted in the recent indictment and conviction of large numbers of manufacturers and dealers in building materials, many of whom have paid large fines and some of whom are now serving sentence in jail.

The decree directs that it be published by the labor organization and read to all of the local unions at their next regular meeting and be incorporated as part of the constitution of the international union and appended thereto in the next constitution to be adopted.

# Engineering Export Openings

*Observations of a British business man of wide experience in Great Britain, and in handling a great variety of engineering supplies in the Far East are of unusual interest in this country*

*Written especially for AMERICAN INDUSTRIES*

By FRANK J. MAURICE  
A. I. Mech. E., M. S. M. A.

THE practice of sending special representatives of superior attainments and personality on trips to countries of the Far East, particularly when branches or agencies are established therein, should be persisted in. The object of these trips should be less to sell merchandise than to appoint and coach agents, to plan and assist in sales campaigns and generally to act the business counsellor.

It is hardly necessary to impress on the head executive of any business the necessity that a good type of man should be selected for this important work. In the countries of the Far East particularly, tradition and prejudice count for a great deal, and if the representative of a business house, no matter what his nationality, is not tactful, the results of his business trip are very likely to be unsatisfactory.

In the writer's experience in Singapore during a period of twelve months ending September last, he received visits from some fifty or sixty engineering representatives from the United States. In nearly every case they were a fine type of men who were well received. On the other hand, in the same period only three or four English representatives were seen, and with one exception they were lacking in both technique and personality. In the line of engineering supplies, under present conditions, payments should be secured, at latest, against shipping documents at United States port and preferably before dispatch from the works. Exceptions from this rule should only be granted where long established and wealthy firms have been appointed as agents, or under other special conditions warranting the granting of a certain measure of credit.

While the long established and wealthy houses, from their position of standing, have certain advantages, it is by no means always advisable to appoint them as representatives. On the contrary, a new, small firm of integrity frequently is apt to act more energetically and with consequent greater success.

Likewise, it should be remembered that the older firms in the East, be-

sides being often addicted to a kind of commercial ancestor worship, are frequently engaged in some fifty-seven varieties of business, and the one or two lines showing profit at a given moment are apt to get all the attention of the management.

It will be noted that I am dealing primarily with the methods to be adopted by the medium and smaller engineering manufacturers who have not already developed a world organization, or even the skeleton of one. To such I would say that as a general principle reputable English, Chinese or Dutch firms may be generally recommended as agents in preference to other Asiatic firms.

Within the writer's experience, there is a constant or semi-intermittent demand for the following machinery and for which articles of American manufacture are, or would be acceptable:

(Openings for Engineering Exports.)

Oil engines, 4 stroke, horizontal, 25 to 100 H. P.

Oil engines, 2 stroke, vertical, 1 to 25 H. P.

Steam engines, portable, 20 to 100 H. P.

Electric motors, insulation good against heat and damp.

Light railway material, for mines, plantations and public works.

Mechanical transmission material.

Rice hullers and other rice plant.

Small pumps, all kinds, steam, electrical and belt driven.

Small boilers, Lancashire and vertical.

Concrete mixers.

Reinforcing materials.

Stone breaking plants.

Tar boilers.

Oil extraction plant.

Can stamping machines.

Piping and fittings.

Small sewage disposal plants.

Etc., etc.

It will be understood, of course, that existing trade conditions in the Middle and Far East necessitate a careful approach by the American exporter, and in the case of cars, trucks, tractors and house lighting

plants, existing stocks in the East are such that these articles are in many instances being sold at a sacrifice.

In the case of a highly specialized product promising an adequate return for the expense involved, it is a great advantage to both parties for the agency to provide a manufacturers' representative on the one part, and a seat for him in the agent's office on the other part. Where the product or products warrant this method, the results are usually beneficial out of all proportion to the extra cost. In costing the product for the market affected, the special representative should be made to pay for himself as he goes along.

It is not the purpose of these brief notes to deal with details of the conduct of a business in the Orient; suffice it to say that the best methods which have succeeded elsewhere succeed also amongst the Asiatics, and the Oriental qualities of courtesy, tact and tolerance must be employed towards, as well by, them. This elementary fact, often forgotten by the European, should be remembered by the American.

## THE BELGIAN CONGO TO-DAY

"The Congo is rich. The firms established here will make profits. The young men who come out to them will be able to put money in the bank," says a traveling correspondent of the *London Times*. "They will forget what comfort and good food are; they will learn to soak up alcohol and to sweat out fever; their brains will run to seed; but there will be a dividend for the firm at the end of the year and a bonus for themselves.

"There must now be 6,000 white men in the Congo, 4,000 of them Belgians. There are big British trading firms and a number of British at the copper mines. There are many small Portuguese traders. Greeks, too, are spreading, opening their little shops, just as the Syrians are spreading through the French Zone. Then there are the missionaries—Belgians mostly, of the different Catholic orders, as well as British and American Protestants.

### URGE AMERICAN VALUATION

(Continued from page 10.)

steel in this country therefore we claim that we are entitled to protection and tariff on these ores. We are heartily in favor of the broad principle of American valuation and the necessity for securing action on the whole tariff bill. Our company furnished 150,000 tons of ore for war purposes and we furnished that ore at a great loss."

A metals manufacturer says: "We are suffering the worst conditions in thirty years and need immediate tariff protection under American valuation in order to secure sufficient business to operate without loss. If present conditions continue and Germany has the capacity to fill American demands there is little hope for us and our employes."

Another toy manufacturer says: "We have reduced our working force fifty per cent and must close down if not afforded release by quick and favorable action on the part of Congress."

A pumice stone producer says: "The number of our men employed now is negligible because mines are closed on account of our inability to compete with imported stone."

#### Below Our Producing Costs

A silversmith says: "Quite a quantity of goods which compete with ours have been coming in from Europe during the last six months at prices below the cost of manufacture here."

A lawnmower manufacturer says: "I cannot understand why the people in general do not seem to realize that if this country is flooded with foreign makes of goods, it is bound to reflect on the working man and particularly on the dealers, by reason of the fact that the people of the country will not be able to purchase on account of the factories not operating to at least a normal capacity."

A cutlery manufacturer says: "I am trying to sell goods at less than cost and the only encouragement I meet is an offer of one-half present selling prices and they say they can get similar goods at such prices from abroad."

A lace manufacturer says: "Our present condition of employment is but 52 per cent, working shortened hours to give us but 38 per cent of full production, and we see no prospect of improvement. In fact, we doubt, whether we can maintain it."

An envelope manufacturer says: "It is evident that if the envelope industry of this country is to be preserved from the destruction which has overtaken the English industry, we must secure adequate protection."

A tumbler manufacturer says: "We are already feeling the effects of low

price on imported goods and there are many articles being imported from Germany, Belgium and France at less price than we can produce them today."

A fabrics manufacturer says: "Importers and others located in the United States have learned that they can export yarns to Germany and other foreign countries, have them manufactured into webbing and returned to this country, under the present system of foreign valuation, and sell the product at so low a price as would force us either to lower the standard of wages now being paid or be forced to go out of business."

A wall paper manufacturer says: "We would call attention to the fact that during the war the government called on us to practically sacrifice

our industry, by curtailing us in the matter of supplies, transportation and labor. Now that the war is over we think that we are at least entitled to some degree of protection, especially against the nation we helped to defeat by our sacrifice."

A chemical manufacturer says: "At the present time we have been protected by the emergency tariff but expect to be completely unable to meet German competition unless the bill becomes a law with the customs based on American valuation."

A lace manufacturer says: "Our industry, when it is busy, employs at least 25,000 people, and if the government would see fit to protect this industry, which is manufacturing a luxury only, it could easily employ twice as many people."

## Russia And Her Trade

**O**BSERVATIONS of a Hollander, a special correspondent of the National Association of Manufacturers, who is an experienced traveler in Russia as well as other parts of Europe.

After visiting Scandinavia and Finland, I made a very extensive trip to the new Baltic States in order to look into their business possibilities and consider ways and means for trading in Soviet Russia.

After meeting various Soviet officers, I found it necessary to go to London and Berlin in order to obtain Krassin's consent to a barter scheme which we worked out. Unfortunately, when everything was in order, severe frost at Petrograd made shipment of goods impossible. I must therefore, now wait until the ice breaks up in order to find out whether the Soviet will adhere to this agreement. It is my opinion that Mr. Krassin is really doing his best for Russia, but I am personally of the opinion, which is supported by certain facts, that quite a lot of the Soviet officers (who are not all Bolsheviks) are sabotaging their government.

This fact makes every arrangement with them doubtful. I made a contract for certain government goods and then found that the goods belonged to Dutch firms which had factories in Russia before the war. The factories and goods were taken by the Bolshevik authorities. Of course, I refused to accept these goods, and the owners of them in Holland seized them upon arrival, saying that they were stolen property, which they were able to prove.

There was absolutely no necessity for

goods of this kind being sent by the Soviet Government, and I am quite confident that this transaction was specially arranged by some of the officers in the employ of the Soviet, of the kind I have described, simply to discredit Soviet rule. We now have to await the reopening of navigation.

#### BOOK REVIEWS

"Ocean Shipping," by Erich W. Zimmermann, Professor of Commerce, James Milliken University, Decatur, Ill. Published by Prentice-Hall, Inc., New York. Price, \$5.00.

The export man, to whom a thorough knowledge of ocean transportation and its various problems is useful, will find this new book of value. Many features of ocean transportation are necessarily very technical and understood only by one thoroughly versed in the subject. Professor Zimmermann's book, however, is not over-technical and should be intelligible to the average export man.

It is a systematic study of the numerous phases of ocean transportation commencing with ocean routes and finishing up with the problem of America's merchant marine to-day. Among the many topics outlined are ports and terminals, carriers and their various types, cargo, shipping papers, insurance, organization and management, shipping rates and finances.

One does not expect to read this book and remember all of its contents. It should prove valuable, however, as a reference work in the exporter's library, to refer to it whenever he requires information on some particular phase of ocean transportation.

# FOREIGN TRADE OPPORTUNITIES

The inquiries for American goods received by the National Association of Manufacturers from abroad will now appear in these columns. In order that the confidential nature of the inquiries may be preserved for the benefit of our members, the addresses of inquirers will not be printed in "American Industries," but the inquiries are numbered, so that members interested in communicating with any of the inquirers may obtain the addresses by writing to the Foreign Trade Department of the Association at 50 Church Street, New York, and mentioning the number or numbers whose addresses they may desire.

Where no language is mentioned, letters in English will be understood.

## ENGLAND

**Hinging machine** for stitching wire hinges on ordinary wooden boxes is of interest to a firm of merchants in London. (223)

**Woolen cloth manufacturing mill**, complete equipment for wool washing, cloth finishing, output 150-200 kilo per 24 hours; complete spinning machinery for wool with an output of 150-200 kilo per day; complete spinning machinery for cotton yarn, same capacity; also plant for extraction of lanoline from the fat wool. (224)

**Transparent celluloid sheets** for automobile hoods are required by a dealer in automobile goods. (225)

**Oil or kerosene gas mantle lamps**, (table, bracket and chandelier), are required by a firm of merchants and exporters in England. (226)

## FRANCE

**Carbon paper** and typewriting paper for France and French Africa. The inquirers desire to hear from American manufacturers open for representation. (227)

**Pulp** for paper manufacturers is of interest to a firm of general agents. (228)

## HOLLAND AND DENMARK

**Starch** of all kinds. Merchants in Holland request quotations. (229)

**Chemicals: Triaxymethylen 100%**, paraformaldehyde 100%, and crude black ozokerite. The inquirer is a wholesale merchant in chemicals, and also represents a large American copper export organization. (230)

## AUSTRIA

**Glazed kid**, patent leather, woolen and cotton yarns, rebuilt typewriters, condensed milk, flour and foodstuffs of all kinds. A merchant and agent in Vienna desires to hear from American manufacturers. (232)

## GREECE AND TURKEY

**Industrial machinery and tools** of all kinds, particularly for small industries, agricultural equipment, bakers' machinery, printing presses, well drilling equipment, accounting machines, automobiles and motor trucks, textiles of all kinds, typewriters and boats and other equipment used in connection with water transportation. An agent and contractor, who has been established in Albania a number of years where he has several branches, requests catalogs and particulars from American manufacturers. (233)

**Construction materials** of all kinds including cement, plaster, beams, iron, steel and galvanized sheets; shovels, picks, mattocks, nails and hardware generally; sanitary supplies and wall and floor tiles. Importers and merchants in Constantinople desire to hear from manufacturers and exporters. Correspondence in French. (234)

## AFRICA

**Agencies for Egypt.** A native concern is interested in representing manufacturers of merchandise suitable for the Egyptian market. (235)

**Chewing gum** is of interest to a merchant in Egypt. Correspondence in French. (236)

**Cotton goods** of all kinds, flour, glassware and office furniture for the Sudan. The inquirer desires to hear from American manufacturers with catalogues and quotations. (237)

## INDIA

**Bottle making machinery** for equipping an automatic or semi-automatic plant for the manufacture of 20,000 bottles per day, half of them quart size and half pint size, is required for India. The bottles are of the ordinary style formerly used for whiskey and rum. (238)

**Galvanized sheets**, iron hinges, bolts, nuts, rivets, mild steel plate, wood screws, files, wire nails, coal shovels, and hard wire goods generally. A firm of manufacturers' agents already representing a number of American concerns desires to secure catalogues and price lists from American manufacturers open for representation in India. (239)

**Dairy machinery and apparatus** of all kinds for India. A firm of merchants and agents desire to hear from American manufacturers. (240)

**Stone slab cutting machines**; also hand operated apparatus for cutting small precious stones, are of interest to a firm of merchants in India. (241)

**Machinery** for making matches, candles, peppermint and soaps. Merchants in India request detailed particulars from American manufacturers. (242)

## STRAIT SETTLEMENTS

**Plumbing materials** and sanitary fixtures of all kinds for Singapore.



The inquirers are merchants and contractors. (243)

### JAPAN

**Catalogues for Japan.** The publishers of a periodical and directory in Osaka, Japan, desire to secure catalogues of American manufacturers for the purpose of establishing an international catalogue library for the benefit of the Japanese business community of that city. (244)

### CANADA

**Grocery, hotel and baking supply lines of all kinds.** The inquirer states that he has good connections with both the wholesale and retail trades and is interested in obtaining American representations. (245)

**Woolens in dress goods, tricotines and similar products;** cotton goods including flannels, shirtings and prints; velvets, plushes, silks, hosiery, knitted neckwear, men's hats, braids, beads and trimmings, and material of all kinds for the dry goods, millinery and men's furnishing trades. A firm of agents state they are prepared to represent American manufacturers on the Canadian market. (246)

### MEXICO

**Shovels, wrenches, files, valves, steel cable, pick and hammer handles, light steel rails up to 40 pounds, iron wheelbarrows and nails.** An American who is established in Mexico wishes to add agencies in these lines to the ones he is now carrying. (247)

**Hospital supplies of all kinds including cotton, catgut, adhesive tape, surgical instruments and drugs.** The inquirers state that they are supplying the largest hospitals in Mexico and desire to hear from suppliers. (248)

**Galvanized sheets, black sheets and galvanized wire.** Agents wish to hear only from firms open for representation. (249)

**Artificial embroidery silk of heavy weight, for Mexico.** An American who has been located in Mexico many years as agent for American manufacturers, inquires regarding silk, in black, white and colors, in large skeins of from  $\frac{1}{4}$  to 1 pound. (250)

### CUBA AND PORTO RICO

**Rails or relays for Cuba.** The inquirer requests quotations. (251)

**Glue, stearine and powdered clay for plaster and sculptor work for Cuba.** Prices and particulars are requested. (252)

**Provisions and food products for Porto Rico.** A firm of commission agents desires to represent American manufacturers. (253)

### ARGENTINA

**Machinery for the manufacture of fibre brushes, floor brushes, horse brushes and brushes of all kinds for cleaning counters, floors, etc.; machinery for making bristle brushes for clothing, hair and floors; machinery for the manufacture of baskets and wicker ware.** Importers and agents request detailed particulars from American manufacturers. Correspondence in Spanish. (254)

**Lubricating oils and greases, petroleum products of all kinds, vegetable and animal oils.** The inquirers advise that they make a specialty of the sale of these goods and are open for American representations. Correspondence in Spanish. (255)

**Cotton and other piece goods for Argentina.** A manufacturers' agent desires to hear from firms who wish to be represented in this market. (256)

### BRAZIL

**Industrial and agricultural machinery, apparatus and supplies of all kinds are of interest to a firm of merchants and importers in Brazil.** Correspondence in Portuguese. (257)

**Embossed paper made in imitation of alligator and other leathers is required by a firm of merchants in Brazil.** They desire samples, quotations and details. Correspondence in Portuguese. (258)

### COLOMBIA

**Woodworking lathes.** Prices, terms and complete particulars are required. Correspondence in Spanish. (259)

**Portable wooden houses for Colombia.** A real estate organization desires to hear from makers of houses suitable for tropical districts. Correspondence in Spanish. (260)

**Safes of all kinds, talking machines and electric bulbs.** An established firm of manufacturers' agents desires to hear from American manufacturers. Correspondence in Spanish. (261)

**Cotton goods of all kinds, woolen goods, shoes, cotton and silk thread, hosiery and other articles of dry goods.** An established firm of merchants in Colombia wish to extend their connections in the United States. Correspondence in Spanish. (262)

### CHINA AND MANCHURIA

**Agricultural machinery and parts, garden seeds, beekeepers' supplies, flour mills, flat bottom steamboats, contractors' and builders' supplies, electrical supplies, telephone apparatus, automobiles and accessories, machine shop equipment, laundry equipment; also industrial machinery of all kinds for the manufacture of food products, soap and matches.** A merchant in Manchuria desires to secure American representations. Correspondence in Russian. (263)

**Cotton yarn Nos. 10, 12, 16, 20 and 24; latch needles, chloride of lime, caustic soda and sulphuric acid.** Firm in Hongkong advise that they sell to the leading knitting mills and dye consumers in their territory and that they will be able to do a large business if price and quality are suitable. (264)

### INDIA

**Files, hinges, iron wood screws, chest handles, bolts and nuts and similar goods in the hardware and metal lines.** A native firm of merchants desires to purchase direct from manufacturers. (265)

**Ring spindles for cotton mills, steam engines and mild steel hoop iron.** Interested members can secure further information regarding the firm's requirements upon inquiry of the Foreign Trade Department of the N. A. M., and mentioning number of inquiry. (266)

**Cotton yarns, 30s and 40s, and mercerized yarns in 80s and 100s.** Samples and quotations are requested. (267)

**Stationery, office appliances, calendars and advertising novelties.** A firm of stationers desires to secure American connections. (268)

#### EAST INDIES

**Amusement devices of all kinds** such as merry-go-rounds, Ferris wheels, etc. The inquirers are at present interested particularly in complete equipment for a roller skating rink, including roller skates. They require detailed estimates, plans and prices, c. i. f. Belawan, Medan, Sumatra. They are also interested in soda water fountain and ice cream equipment. (269)

#### NEW ZEALAND

**Hardware of all kinds and electrical supplies.** A firm of agents in New Zealand are prepared to represent American manufacturers on a commission basis. (270)

#### EGYPT

**Gray cotton sheetings, cotton yarns, cotton thread for sewing; industrial chemicals and starch.** A firm of merchants and agents in Egypt will buy for own account and also act as agents. (271)

#### EUROPE

**Cloth rubberizing equipment** is required by a manufacturing concern in Spain. Correspondence in Spanish. (272)

**Agricultural machinery and implements, textile machinery, confectionery manufacturing machinery, automobiles and motor trucks, lubricating oils, agricultural fertilizers, typewriters, evaporated and condensed milk and paper of all kinds.** A commission agent established in Cuba,

advises that he will open in April a branch in Barcelona, Spain, in charge of his father. He wishes to obtain agencies of American manufacturers for Spain. Correspondence in Spanish. (273)

**Rebuilt typewriters for Italy, preferably Underwood and Remington makes.** Dealers request quotations from American firms prepared to handle this business. Correspondence in Italian. (274)

**Cotton and cotton yarns, two-fold and single from 8/1 to 120/1 and from 8/2 to 120/2.** The inquirer advise that terms are cash against documents at Danzig. (275)

**Sporting goods, accessories and supplies of all kinds** are of interest to a merchant in Warsaw. (276)

## American Memorial In Brazil

**THE** United States Government, having appropriated \$1,000,000 to enable this country to be officially and suitably represented at the Brazilian International Exposition at Rio de Janeiro, public spirited Americans have taken it upon themselves to raise \$100,000 to build a suitable memorial, symbolic of friendship, which was described in the January issue of AMERICAN INDUSTRIES. Of this sum \$15,000 already has been raised by Americans resident in Brazil and efforts are being made to raise the additional sum in this country.

The project has commanded the ready sympathy of business men in this country and John L. Merrill, president of the All-America Cables, Inc., is chairman of the committee that has taken it upon itself to complete the fund. John H. Allen, treasurer, American Foreign Banking Corporation, 53 Broadway, New York, is receiving the contributions and any checks may be made payable to him.

The movement has received a warm indorsement from Secretary of State Hughes, who says:

"I am heartily in sympathy with the laudable motives that prompted the members of the American Chamber of Commerce for Brazil, the American colony in Brazil, and other American citizens, in the initiation of this undertaking. It would seem to me a commendable thing, and in harmony with the sentiments to be commemorated by the proposed gift, to have it the result of a spontaneous and concerted effort on the part of many private individuals, financial and commercial institutions and Chambers of Commerce that are directly related to and interested in the welfare of the people of Brazil and in commercial intercourse between that country and the United States."

#### TRADE EXHIBIT IN PALESTINE

Samples are invited for a permanent exhibit of American machinery and supplies to be held in

Palestine. The exhibit is being arranged and will be maintained by the American Palestine Company, with headquarters at 874 Broadway, New York City, which company was organized by Americans to promote and foster the industrial development of Palestine. It is their plan to introduce modern American business methods and equipment in the territory in which they operate.

The exhibit will cover the following fields: agricultural machinery, automobile repair shop equipment, bakery machinery, barber shop supplies, brick and tile making machines, building implements, canning equipment, carpet, clothing machinery, comfort and household improvements, dairy products, flour mills, glass manufacturing equipment, furniture, household furnishings, ice plants, iron shops, laundries, manufacture of cigarettes, mother-of-pearl button machinery, printing and binding apparatus, sanitary supplies for private and sanitary use, saw mills, shoe manufacture, soap manufacture, stone quarries, tanneries, and vegetable oils.

# WATER

## WE-FU-GO AND SCAIFE

### PURIFICATION SYSTEMS SOFTENING & FILTRATION FOR BOILER FEED AND ALL INDUSTRIAL USES

## WM. B. SCAIFE & SONS CO. PITTSBURGH, PA.

Chicago Office: First National Bank Building, Chicago, Ill.  
New York Office: 26 Cortlandt St., New York, N. Y.

## AMERICAN VALUATION

## vs. IMPORTERS

(Continued from page 8.)

is not needed and where the foreign price is high, the actual amount of duty levied will be decreased.

The average American retailer who has no foreign connection or facility for importing is placed at a tremendous disadvantage on account of the unfair competition. His interests are not at all identical with the interests of the department store engaged chiefly in the selling of imported merchandise.

The average retailer should favor American valuation—he should want wholesale prices to be regulated by competition within the United States, so that he would be able to purchase his stock at as low a price as his competitor, the large department store and the large mail-order house. The average retailer should favor American valuation because it is in the interest of the American manufacturer who furnishes employment to American labor, for upon the purchasing power of American labor his market depends.

A healthy export trade can not be built up if industry in the United States is idle. This has been demonstrated over and over again, and the American consumer is not benefited, because his power to purchase is dependent directly or indirectly upon domestic production.

Importers talk of the necessity of furnishing a foreign market for America's surplus. Under the present tariff policy, however, the surplus of goods in the American market is increased rather than diminished as a result of our foreign trade. More American goods would be sold and there would be more employment for American labor if a tariff policy is adopted that will preserve the domestic market for the product of American labor.

It is my very confident prediction that our total foreign commerce will show a marked gain if an adequate tariff policy is adopted. It is also my confident prediction that if the present tariff policy continues our total foreign trade will continue to diminish. It has been proven in the past and it will be proven again that a healthy foreign trade can not be built up on industrial idleness in the United States.

On the other hand, if an adequate tariff law is enacted, it will be proven again, as it has been proven in the past, that industrial activity in the United States will inevitably result in increased foreign commerce.

The argument that we must surrender American markets to benefit

other countries is fallacious. Surrendering our markets means the surrendering of wages and employment of American labor. It means the diminishing of the purchasing power of the American people. It means business stagnation in the United States; and I say very firmly that now, as in the past, any policy that occasions business depression in the United States will not place the United States in a position to aid foreign countries.

Other countries of the world recognize as the result of the present abnormal conditions the urgent necessity for increased import duties. The importer, prejudiced as he is, is endeavoring to lead the American people to arrive at a converse conclusion. In the face of increased import duties by the principal nations of the world, they seek to tell us that, due to unsettled conditions abroad, a tariff law at this time can not successfully be written. I wish to assert very vigorously at this time that the unsettled condition of the world to-day is not a reason for delaying tariff action, but is a very urgent reason for hastening the passage of a tariff law that will afford a reasonable degree of protection to American industries.

## EMPLOYEE WELFARE WORK

(Continued from page 34.)

good sanitary, healthful and safe work conditions but he is handicapped when it comes to the question of personal hygiene, and as any improvement along this line in the physical condition of the group must be the result of the work of the employees themselves they are entitled to the savings that result from this work. So the up-to-date employer should say to his people, "While I am paying half the expense I am willing that any savings you can make on the cost of the insurance shall go into the treasury of the mutual benefit association. You can use these funds for helping those in the organization who need financial assistance. In this way he interests the whole group in the health of the individual, for it is to the interest of the association that the amount paid out for sickness and death shall be kept at a minimum. A 20 per cent saving on the insurance in Class A for instance would equal 20 per cent of \$22.50 or \$4.50. Deduct this from the employee's share and you have a net cost to him of \$8.50.

The seven years experience of the Life Extension Institute in examining and carrying on health work among employees has shown that the employees are divided into three classes.

First. Those who as soon as they

have been examined and find out there is anything wrong go at once and put themselves in good shape. No one has to worry about this type of employee.

Second. Those who after being told what to do find it costs money to have teeth fixed, tonsils removed, hernias operated on, etc., and who feel they cannot afford it and put off having these things done because they cannot find the money to pay for the things that should be done, so they put it off until things get so bad that the doctor then says, "It is too late." These tragedies are occurring in every plant every day.

The third class is composed of those who put off doing things because it is easier to put off doing unpleasant things than it is to do them and these people need to have someone to urge them to do the things that are so necessary for their future health.

The mutual benefit association can make it its business to try and help those that need financial assistance either by lending or by helping to pay for whatever medical attention is needed, and letting the employees repay on some weekly basis.

This whole plan is based on getting the employees, both as individuals and as a whole, to take a real live interest in improving the health of the group. If they are interested in keeping down the cost of insurance they are going to make it their business to see that every person gets all that they are entitled to when they are sick and not a cent more. They will put a stop to all malingering which has been one of the worst features of most of the health insurance plans.

## FIRE IN MONTEVIDEO

The principal customs building in Montevideo was destroyed by fire in December.

Various estimates are current as to the value of the merchandise destroyed by the fire, but the general belief is that it runs to about \$700,000, the greater part of which is covered by insurance. The value of the postal parcels destroyed is estimated at about \$200,000. Some of these were insured but a question has arisen as to whether insurance can be recovered in the present case, for which there is no precedent.

Hasty arrangements have been made for carrying on the work of the various Customs offices in various localities in the vicinity of the destroyed building. At present these are naturally deficient, but better arrangements will be made as speedily as possible.

**NATION'S WEALTH AND INCOME***(Continued from page 12.)*

ment—Federal, state and municipal. In 1919 the expense of government had risen to about  $6\frac{1}{2}$  billion and we were spending upward of five billion for pleasure automobiling and for other luxuries. When the readjustment is completed, when deflation has been consummated, we have no reason to expect a national income any greater than that of the pre-war years, plus what is to be expected from increase in population. This would indicate a probable national income of about  $37\frac{1}{2}$  billion per annum. That can be enhanced only by improvement in efficiency.

**Not Back to Efficiency**

Some day we shall have such improvement, which will be reflected in the annual total, but for the present that is hardly to be reckoned upon. Although we have made great corrective strides since the middle of 1920 we have not yet on the whole got back to the efficiency of 1913. There is another, this one an offsetting, condition, which is likely to be more lasting. This is the probable curtailment of our export trade, owing to the impoverishment of Europe, which will be unable to buy from us at the old rates, no matter how much it may need to.

### WANTED AN OPPORTUNITY

I desire a position with a manufacturing concern where I can make definite headway toward a position of trust and authority. I am a Civil Engineer with practical experience, and am taking a course now at Columbia University in Factory Management. Am twenty-seven years of age and an A. E. F. Veteran (22nd Regiment, Engineers).

Am looking principally for an opportunity for a permanent connection with the possibilities.

"UP TO ME," E. D. C.,  
Box 14, "American Industries."

These are the general outlines of the whole picture of our national economy. In details things may be different, for better or for worse. There are without any doubt some industries in which great improvements have been made. There are some which will be able to sell great quantities of goods to Europe in spite of Europe's poverty. But, nevertheless, as a people we are all in the same boat. We are not, of course, going to stand still. We shall improve our national economy. We shall increase our export trade by the stimulation of wants among people of the world who have not yet been exploited. We shall some day behold the rehabilitation of Russia, with all that that will mean for the world, ourselves included. But we shall not see these things develop in 1922 or 1923. It is not the trough of depression of a mere business cycle through which we have been passing. It is rather an economic cyclone that is sweeping the whole world.

**KEEN BLADES FOR AUSTRALIA**

In keeping with other radical changes the Durham Duplex Razor Company has made in its export policy during the past year comes the announcement that A. L. Small, who has been for many years connected with its domestic selling organization as division salesman, will leave for Sydney on March 14.

Mr. Small will stay in Australia for four or five years, and expects immediately upon his arrival at Sydney to put on a special selling campaign similar to that now being carried out by the company's branch factories at Toronto, Canada; Sheffield, England, and Paris, France.

The headquarters will be established at Sydney and the organization there will take care of the distribution of Durham Duplex razors and blades, and also the product of Messrs. Wade & Butcher, Ltd., at Sheffield, England, which is controlled by the Durham Duplex Razor Company.

**EXPORT STATISTICS**

More detailed, and therefore of more direct interest to many industries, will be the Government issues of our export and import statistics because of the inclusion of fifty more commodities than heretofore in the tables. The new monthly reports will contain special statements of 143 commodities. Concerns interested in receiving these monthly statistical reports may have their names placed on the mailing list by application to the Bureau of Foreign and Domestic Commerce at Washington, or at any of its district offices.



## Develop Your Business and Export Trade in Canada

If you are considering the establishment of your industry in Canada, either to develop your Canadian business or export trade, you are invited to

**Consult the Development Branch  
of the Canadian Pacific  
Railway**

An expert staff is maintained to acquire and investigate information relative to Canadian industrial raw materials. Any information you may require as to such raw materials as well as upon any practical problems affecting the establishment of your industry including markets, competition, labor costs, power, fuel, industrial sites, etc., will be given free of charge or obligation.

*Write to the*

**CANADIAN PACIFIC  
RAILWAY**

**DEPARTMENT OF COLONIZATION AND  
DEVELOPMENT**

**WINDSOR STREET STATION**

**MONTREAL**



## DOLLARS PLUS



If you are operating a plant, factory, or even a steamship, (wherever steam is used) you should become familiar with

## PEECO PRODUCTS

Here are some of them:

**STEAM TRAPS  
STEAM SEPARATORS  
STEAM STRAINERS  
STEAM METERS  
PUMPS (all kinds)  
AIR COMPRESSORS**

Complete catalogue and specification sheet will be mailed gladly on request

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No. Carolina, Asheville, P. O. Box 667  
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Mo., St. Louis, 1445 Syndicate Tr. Bldg.  
Missouri, Kans. City, 812 Elmhurst Bldg.  
Neb., Omaha, 504 First Nat. Bk. Bldg.  
Okla., Tulsa, 425 Iowa Bldg.  
Colo., Denver, 982 Equitable Bldg.  
Calif., San Francisco, 115 Mission St.  
Calif., Los Angeles, 226 W. 9th St.  
Calif., San Diego, 215 Timken Bldg.  
Wash., Spokane, 616 Mohawk Bldg.  
Wash., Seattle, 2021 L. C. Smith Bldg.  
Wash., Tacoma, 502 Provident Bldg.  
Virgin Islands, St. Thomas, Main Street  
Can., Montr'l, H. P. Ross, 180 St. Jas. St.  
Cuba, Havana, Victor C. Mendoza  
Holland, The Hague, Ruhaak & Co.  
France, Bordeaux, 53 Rue Borie



Other  
Foreign and  
American  
Agents  
Wanted



# Rejected Goods Abroad

A CORRESPONDENT of the National Association of Manufacturers in Antofagasta, sends the following:

"In these last six months we have witnessed several expensive attempts on the part of American merchants and manufacturers to liquidate shipments that were rejected by the South American importers when the world crisis broke out. The idea seems to prevail among some American firms that it is necessary to send down here a special representative in order to get rid of such goods. In some instances the representative thus sent is not acquainted either with the language or with the kind of goods he is supposed to sell. Such representatives are usually at the mercy of the local brokers. This system is likely to cause tremendous expenses to the firm that employs it.

"Therefore, the English firms have introduced a simpler and less expensive method which is giving good results. When a firm has a rejected lot at some South American port, it instructs the bank which has the documents to get in touch with a specified commission house and to furnish such house with all the data concerning the goods. At the same time the firm advises the Bank that the respective commission house is authorized to sell the goods not below a certain limit in price and that the product of the sale is to be deposited in the same Bank for account of the seller of the goods. In such a case the bank delivers the goods to the buyer when he pays to the bank the amount due.

"An important point in this regard is this: the bank should have the power to deliver the goods either against cash payment or against acceptance of drafts not exceeding 60 days such acceptances to be always of solvent firms. In many a case this facility in the terms of payment makes the consummation of a transaction possible. The price limit to the bank must be reasonable, that is it must be below the present market price for the same kind of goods. The original invoice price is of no avail whatever. Among the traders down there the idea prevails that a refused shipment is to be sold below the current market price. Therefore, the English firms are giving a price limit of 10 per cent to 20 per cent below the current prices.

"The method that we have explained above, has been giving fine results, as it is less expensive than any other method and as it gives sufficient guarantee to the seller of the goods regarding the product of sale.

"The bank should be instructed to give facilities to the commission house down here to take out samples of the lot. Furthermore, the bank should be notified that it cannot sell the goods, even at the limit price, without consulting the commission house which may find a better buyer."

### GERMAN GOODS IN HOLLAND

A few days ago, writes a Dutch correspondent of the National Association of Manufacturers, there was held here a meeting by the Mattschappy van Nyverheid (Association of Industry), which has always supported free trade, and even as recently as a couple of months ago defended this policy. The meeting was to discuss the question of taxing temporarily German and other cheap goods which are flooding Holland, resulting in placing Dutch industry in a very awkward position. The result is, with the competition of the goods from Germany and some other countries where the exchange makes competition almost impracticable, that the quotations for German industrial concerns have fallen in most cases at least 50 per cent. But in spite of these conditions of affairs, the meeting decided after much discussion for the old policy of free trade. The meeting itself however, indicates that this policy is weakening under present conditions and as everywhere else in Europe there is a tendency to afford greater protection to home trade.

### ITALIAN FINANCES

Of the thousands of banks both big and small (commercial banks, savings banks, etc.) scattered throughout the peninsula none have felt the need of having recourse to the moratorium with the exception of three insignificant concerns, an unimportant local Catholic bank of Palermo, the Unione Bancaria of Milan with a capital of barely one million lire, and a small private bank, the Banca di Credito Industriale ed Agricolo of Rome. No better proof could be desired of the soundness of Italian banking institutions.

### PASSPORTS FOR MEXICO

The passport restrictions against Americans entering Mexico were abolished February 1st. Americans now entering Mexico are not required to hold passports, permits, identity cards or other similar documents. The United States Government has extended similar privileges to Mexicans coming into the United States from their own country.





# Our Merchant Marine; Then And Now

*Efforts to obtain governmental assistance for American shipping are based upon the same fundamental necessities that we ably met generations ago and established world's records not yet eclipsed*

*Written especially for AMERICAN INDUSTRIES*

By **EDWARD C. PLUMMER**

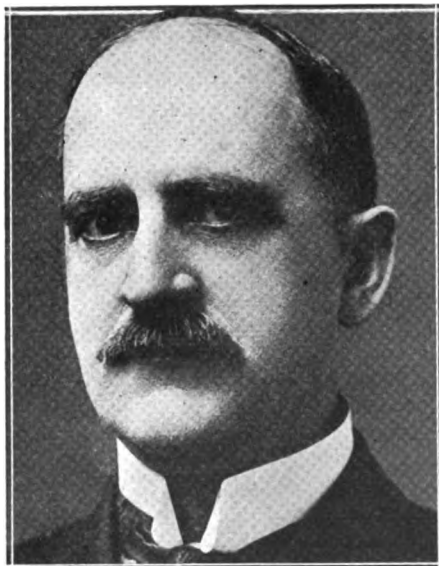
Commissioner, United States Shipping Board

THE necessity of having ships owned and operated by our own people has been recognized from the time that the earliest settlements were made in the New World. The first commercial act of the Popham pioneers in 1607 was to build the little ship *Virginia*, whose trans-Atlantic voyages are matters of record.

The sufferings of the Pilgrims during those first sad years at Plymouth, while they were obliged to trust the, to them, priceless cargoes, which by such sacrifices they were able to produce, to foreign vessels, are matters of history; and in order to secure the merchant ships which they realized they must have if they were to prosper they exempted shipwrights who came to them from military service. That exemption, of course, was a bounty which could not be measured in money. It was a bounty, the payment of which increased the dangers to which their lives were exposed; but they paid that bounty willingly because they knew that until they had vessels of their own there could be no secure commercial justice for them.

As soon as the Puritans had completed the houses needed for shelter they began the construction of ships to be owned and operated by them for their own benefit, and the name of the first ship they built, *The Blessing of the Bay*, is a sufficient commentary on the significance which they attached to this product of their labors. Nor were

they satisfied with building average-sized craft. In 1641 the Rev. Hugh Peters, later one of Cromwell's aids and sacrificed for his devotion to the people's cause, produced what was then called a "prodigious" ship, the



Commissioner Edward C. Plummer

same being a vessel of three hundred tons; and when it is recalled that the average ocean-going ship of those days was only of about half this tonnage, that this vessel was one of the biggest merchant ships then in the service and nearly twice the size of the *Mayflower*, the meaning of this Puritan enterprise can be understood.

That same year the Plymouth Colony launched a bark of fifty tons and, recognizing the importance of having the vessels which carried their cargoes as seaworthy as good material and skill could make them, they adopted strict building regulations which provided that there should be nothing "defective or amiss in any material or workmanship."

These enterprising settlers of New England at once began to develop a profitable trade with the West Indies while continuing their European commerce; and so rapidly did they build up their fleet under the encouragement then given that within thirty years after the Pilgrims landed, British statesmen felt it had become necessary for them to do something to curb the growth of this New World Merchant Marine.

One of their acts designed to hamper this industry was the Law of 1663, which proclaimed that "no commodity of the growth, production or manufacture of Europe shall be imported into British Plantations except in English-built shipping whereof the master and three-quarters of the crew are English." These and similar restrictions, which the Colonists clearly understood were designed to hamper the growth of an important merchant marine in the New World, were among the more important causes which brought about the Revolutionary War.

It is important to note that the

Colonists from the beginning displayed a disposition to build vessels according to their own ideas. The swift French luggers showed the practical shipmaster from the Colonies where the hull lines of his craft could be improved, and the boldness which characterized these pioneers in venturing to put their own ideas to the test of actual practice resulted in the Colonies having at the time the Revolutionary War began a large fleet of fast sailing craft—craft which could escape from the lumbering warships of Great Britain and easily overtake the merchant ships bringing supplies to the British Army in the New World. Even the powder which enabled Washington to compel the evacuation of Boston, like much of the clothing which his soldiers wore at that time, were the fruits of New England privateering.

During the period from 1783 to 1789, while this country had no general government, American shipping suffered severely. The West Indian ports controlled by Great Britain were absolutely closed to our vessels, and so strong was the British prejudice against our merchant marine that although thousands of slaves in the British West Indies were dying by reason of being deprived of the salt fish and other foods which for years our vessels had supplied to those islands, the government refused to modify its destructive order. However, the necessities of, and the losses sustained by, the English planters in those islands through this commercial warfare on the Americans caused them to connive at smuggling, and gradually this whole trading industry, which had been so important prior to the Revolution, was in great measure revived.

One of the first important Acts of the First Congress, appropriately passed on July 4, 1789, provided aid for American shipping and was promptly followed by other Acts, that of the discriminating tonnage duty being in effect a bounty of forty-four cents a ton paid every time an American ship entered an American Port. This, with that other great assistance furnished through preferential tariff duties, developed American merchant shipping at a rate never equaled before or since, so that within ten years of the time the Government granted assistance to American shipping we had one ton of shipping in the foreign trade to every eight of our inhabitants—a marvelous record!

The measures then pursued by our competitors to cripple American shipping are matters of history and resulted in the War of 1812. As is well known, such glory as came to the

United States during that second war with England was won on the sea; but unfortunately for us an agreement to terminate the war was made in December, 1814, while, so far as our Commissioners in England knew, the former stalemate condition of the conflict existed, when they knew that a great army of veteran British troops fresh from conquering Napoleon was about to land on our shores, and before the Battle of New Orleans had demonstrated what an American Army in those days could do under proper leadership.

As a consequence of the perilous position in which our country was then supposed to be our Commissioners agreed to restrictive terms which later were formally embodied in the commercial treaty, that followed the treaty of peace, with Great Britain. In that commercial treaty—signed by



Thomas H. Rosebottom  
General Manager, United States Lines,  
telephoning 100 miles out to sea

President Madison, who in 1796 had in Congress so emphatically condemned the proposition that this nation limit its inherent right to favor its own enterprises both upon sea and upon land as it saw fit—our right to favor shipping by discriminating duties was surrendered, and thus England finally won the principal thing for which she had been fighting so long.

How shrewdly the English Commissioners handled this subject to their country's advantage is shown by the fact that while these limitations, so effective as to every American ship, ostensibly applied to all English vessels, the wording shows that they applied merely to the ships of England herself—they did not apply to the ships of her colonies.

For years the rapid development of our own trade prevented this hampering of our marine enterprises from visibly producing its full effect; but

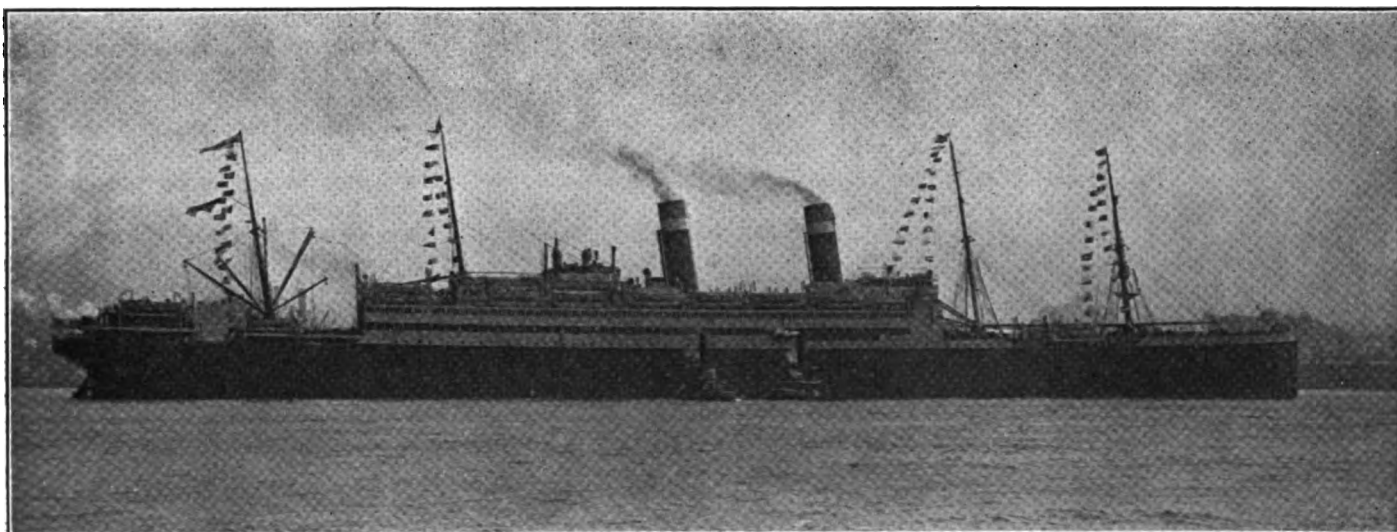
from the time the Act of 1828 was passed, which act practically established wholesale reciprocity in the shipping business so far as the United States was concerned, the percentage of American commerce carried in American ships steadily declined.

The California gold discovery, the development of our unmatched clipper ships which gave us a hold upon the trade with China, and the demands for service brought about by the Crimean War, all led up to that glorious period of 1855 when American shipping in the foreign trade, so far as tonnage was concerned, was at its zenith of prosperity, though the percentage of American owned cargoes carried in American ships had been so largely reduced. Here reference should be had to the beginning of the British Government's policy of attempting to overcome the inefficiency of American shipping by direct aids from the Royal Treasury.

In 1840 England began paying subsidies to the Cunard Steamship Line and the handicap which this British Government cash assistance to those vessels placed upon American ships was promptly recognized here. The result was that American statesmen—among the most active of whom were Senators Rusk of Texas and King of Georgia—began the advocacy of Government aid to American ships that our vessels might not be driven from the sea.

Several lines, including one in the Pacific, one to Panama, and one to Harve and Bremen, were authorized and then, to meet the growing importance of the Cunard Line—that pet of the English Queen—Congress authorized a contract with what later became the Collins Steamship Company, providing that ships to be built for service in competition with those English steamers should receive practically the same amount of Government aid which Britain was giving to her great steamship company.

As usual, the ships built by the Americans were superior to those of their competitors. The Collins steamers at once cut the time between New York and Liverpool by more than a day, and within two years of the time this line was established freight rates which the Cunard Line had maintained at £7 10s. were reduced to £4—a saving to the shippers of nearly \$18 per ton. An increase in the subsidy to both British and the American lines followed, with the result that the freight rates were still further reduced; so that speaking merely from a financial standpoint it is evident that the people of the United States, in the reduced transportation cost of their goods brought about by these competing steamers, benefited in actual



S.S. "George Washington," of the United States Lines, largest passenger vessel under the American flag

money saved far more than the total cost of the subsidy paid by the United States to aid the operation of these ships.

The influences which brought about the discontinuance of Government aid to these American vessels and the consequent destruction of the Collins Line, are matters of Congressional record and need not be referred to here. Commodore Vanderbilt, with his great resources and experience, attempted to carry on this work, the importance of which he recognized, but found it impossible. From that time until 1892 American shipping in the foreign trade steadily declined. Repeated attempts were made to secure from the Government assistance which would enable American vessels to overcome the increased cost of operation which American laws had created and which thus had put them at a disadvantage with their competitors, but all attempts failed.

In 1892, however, a realization of

the need of an efficient American steamship service in the North Atlantic resulted in the passage of the Act of May 10. This Act created the American Line, bringing under the American flag the then unsurpassed passenger steamers *City of New York* and *City of Paris*, and causing to be built in American yards the great steamers *St. Louis* and *St. Paul*.

In this connection it is well to remember that these two "Atlantic Greyhounds," built in American yards and operated by Americans, demonstrated their efficiency by establishing a record which has never even been approached by the steamships of any other nation, namely, a record of seventeen round trips over the Atlantic in one year.

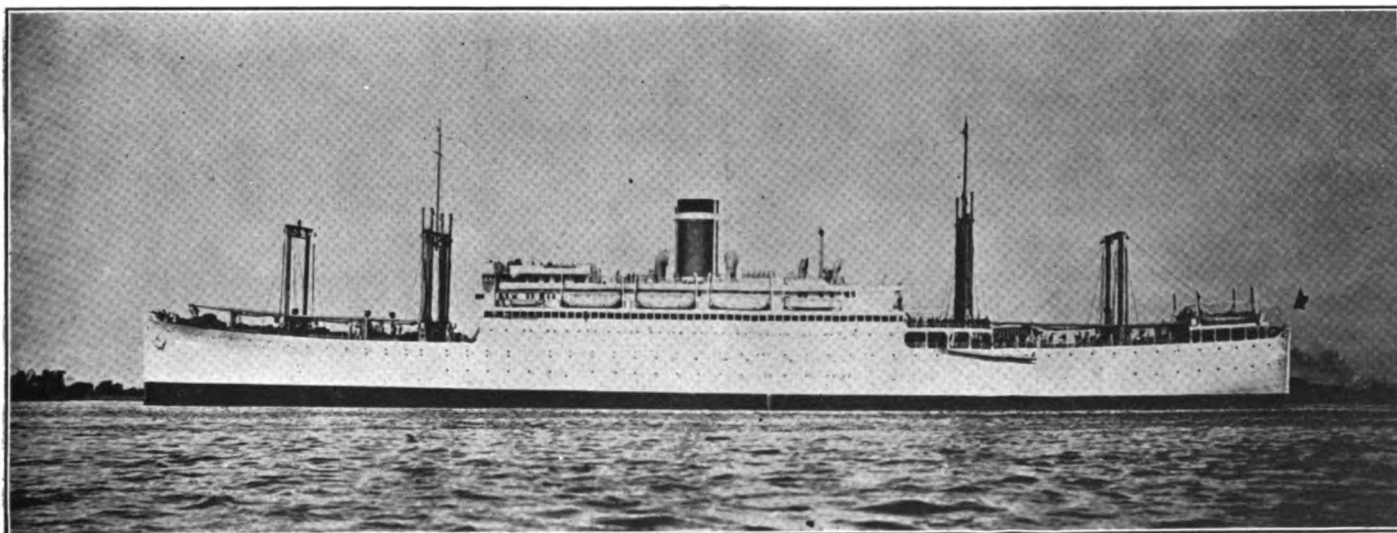
However, the laws under which these vessels were put into operation failed to aid American freight ships, so that the legislation of that period, from which so much was hoped, never produced results affecting our general

carrying trade.

The World War compelled the United States to build, at exorbitant prices, under war conditions and practically without any regard to special commercial serviceability, the great merchant fleet which the people of the United States now own.

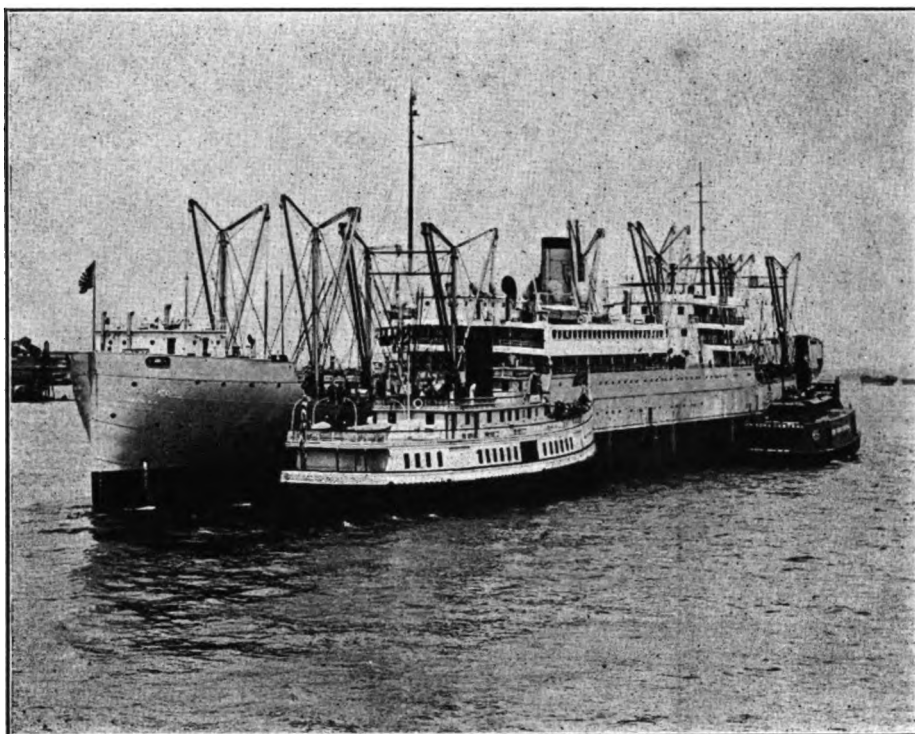
The legislation now before Congress is designed to enable the people of this country to secure from these ships, in which they have such a gigantic investment, some compensating return.

Without Government aid the bulk of these ships must rust at the dock. A few can be put into the coastwise trade because that trade receives adequate Government assistance. If, however, the United States follows the example of England, mindful not only of the old times when Britain gave such monopolistic privileges to her ships but of her course in recent years when she practically gave the great steamers "Lusitania"



The 535-type of steamship built by the U. S. Government and operated in the North and South Atlantic and Pacific





S.S. "Blue Hen State," U. S. Shipping Board Vessel

and "Mauritania" to the Cunard Line, because the fear was upon her that thus alone could she maintain her dominance in the North Atlantic where American capital had just taken control of a great fleet which it was operating chiefly under foreign flags, and as was done in 1920 when the Government of Britain furnished its exporters with millions of money to carry the credits which it was necessary to extend if her merchants were to secure needed foreign business and, as happened a year later when £10,000,000 additional was appropriated by the Government to enable the coal of England to oust the coal of the United States from the West Indian markets which we had held so long and even to enter ports of the United States itself and undersell the American product there—then the United States by legislation will enable the Americans to purchase and sail these ships and thus from the sale of these vessels furnish the funds to pay for the direct aid needed in their operation.

#### First Permanent Results

In this connection it should never be overlooked that, in order for American ships to take a fair share of the American commerce now being carried by foreign craft, these American ships must carry the cargoes at a lower rate than the foreign vessels will carry them.

Thus the first and permanent result of legislation which enables

American ships to compete with the foreigner in this business will be a reduction in freight rates below the figure which the foreigner otherwise would fix; and the saving to the people in money paid out for transportation will many times repay the expenses incident to this competition.

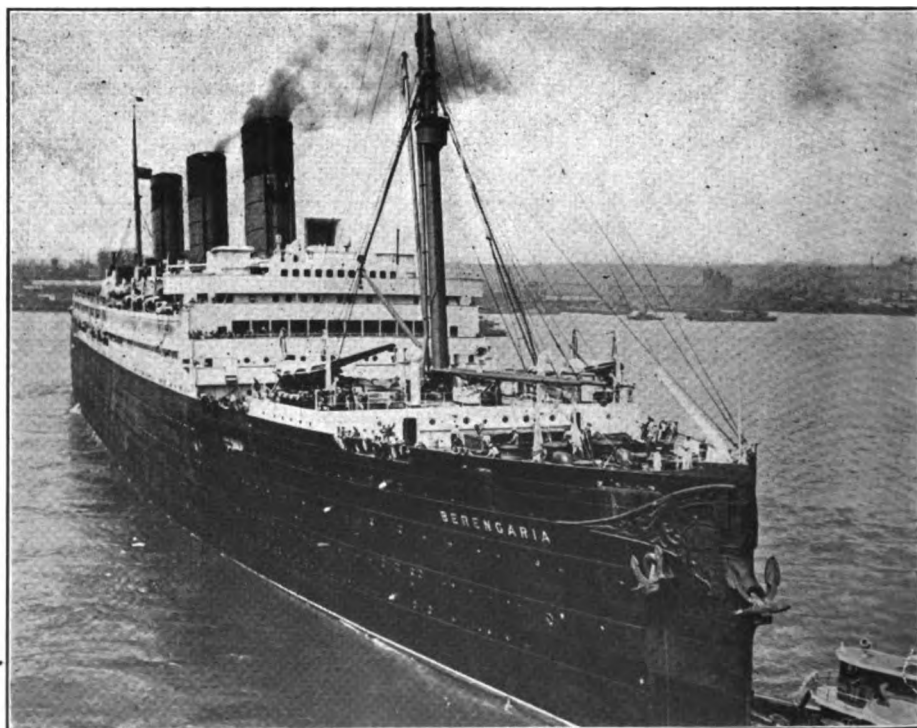
But, neither this saving nor the vast American industry which will result

from the operation of these ships, meaning as it does the employment of thousands of men aboard vessels, the employment of thousands of other men in the yards where these vessels must be repaired and their successors built, and the employment of thousands in producing the steel and other materials which must go into these vessels, is to be compared with the greatest result of all which is the increased foreign market that our ships thus will enable American manufacturers to secure, and by so enabling producers to dispose of their surpluses keep American workmen, farmers, manufacturers and mechanics constantly employed.

#### No Lack of Cargo

The claim so often made that it is inconsistent to attempt to build up a merchant marine while we have a protective tariff designed, as these critics say, to prevent commerce between this country and other nations has, of course, absolutely no excuse for being advanced here because, regardless of the merits or demerits of our protective system, the figures of last year show that we furnished business for 127,301,777 net tons of shipping engaged in our foreign trade, or much more than would have sufficed to keep all of our American ships steadily employed if we had been allowed to take this business.

Therefore, it is not a case where we lack the cargoes necessary to fill our ships; it is merely a question of enabling our ships to get a fair share of the carrying business which the

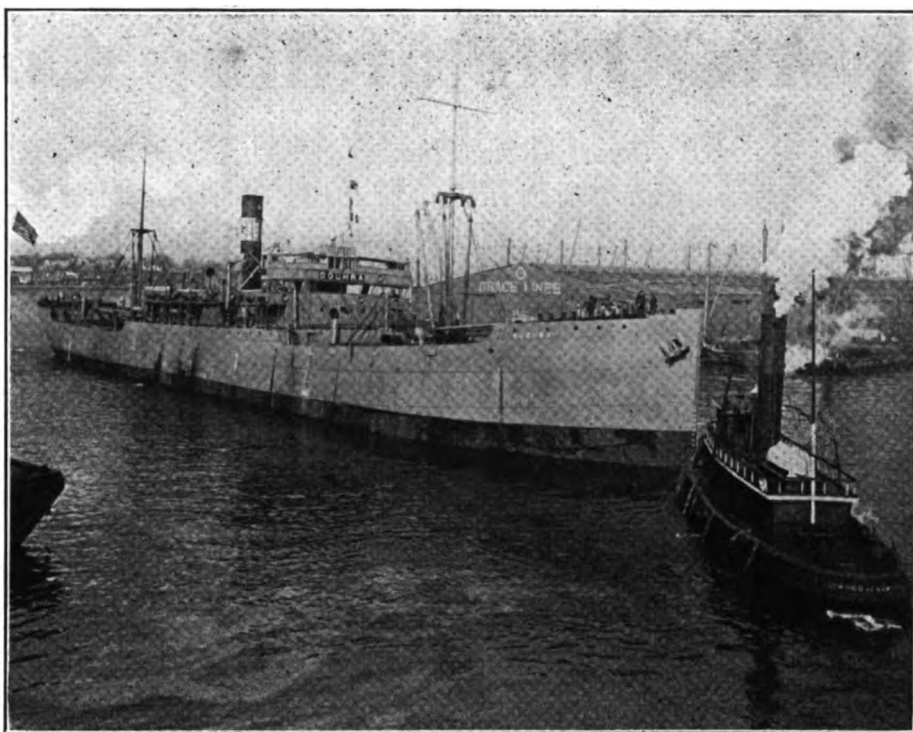


The "Berengaria," formerly the "Imperator"

cargoes produced or owned by Americans constantly furnish.

When the people of this country comprehend that the same reasons which compelled England, Germany and Japan to give vast and direct Government aids to their vessels in order for them to become established in foreign trade, apply to the merchant marine of the United States; when they understand that shipping is not primarily an end but a means of securing markets for those surplus products which if left on our hands must bring such terrific losses to our producers and our workmen, there will be no hesitation in passing the legislation now proposed, which is but the modern form of assistance that our First Congress, on the recommendation of President Washington and Secretary Thomas Jefferson, so promptly and efficiently provided.

By so doing Congress will have opened the one way by which the citizens of the United States as a whole can be compensated for the vast investment they have made in our great merchant fleet.



S.S. "Doehra" leaving New York with American goods for Argentina

## War On The Nation's Pests

**F**OOD and necessary materials worth \$1,500,000,000 are destroyed each year in the United States by insects and bugs, according to scientists in the biological sections of the Department of Agriculture.

Engaging in a continuous battle with man, insects up to now have been winning, spoiling and destroying food, clothing and other necessities in such great measure as to make the losses of the great war seem small by comparison.

In the Department of Agriculture a small army of specialists in insect lore are devoting their lives practically to carrying on a nation-wide battle against minute pests. The department now is preparing an educational campaign to line up every person in the United States in the war against insects. Farmers, the city housewife, carpenters, doctors, librarians, clerks and men and women in every occupation are to be enlisted in the campaign. If successful it will mean the saving annually of thousands of tons of wheat, cotton, clothing and even wooden buildings from destruction by the enemy, the Government scientists say.

The enemy is made up of the boll weevil, the household ant, the ordinary fly, worms that eat books, magazines and newspapers, moths, crickets and carpenter bugs.

School children and professors and

teachers in scientific institutions and universities are to be asked to aid in the campaign which is intended to be the beginning of a popular war against insect pests. The war may have to be carried on for years, it may even be waged for a century, but man can win against the insects if everybody enlists for the struggle, the scientists say.

The war may tend to reduce the cost of living, since millions of bushels of wheat and other foods are destroyed annually by insects, the Agriculture Department's records show. Insects attack wheat and nearly all kinds of grain in the elevators of the West, not only destroying food but indirectly causing fires and other disasters which increase the losses.

In the nation's libraries and museums, worms are destroying books and priceless documents which never can be replaced.

In some sections of the country certain varieties of ants eat away the foundations of houses costing many thousands of dollars, causing the buildings to collapse, sometimes killing the occupants.

The activities of the boll worm in spoiling the cotton crop are familiar to everyone.

Bugs and worms every year destroy enough potatoes to feed the occupants of New York State. There is no food and few necessary raw materials that

are not attacked by insects, officials say, to an extent that causes the nation losses totalling millions a year.

Moths alone are blamed for destroying enough cloth every year to clothe half the residents of New England. These inroads tend to make higher the price of cloth and clothing.

### IRON AND STEEL OUTPUT INCREASED

Pig iron production in February amounted to 1,630,000 tons, compared to 1,639,000 tons the month before and 1,937,000 tons in February last year. The February daily average output was 58,214 tons, compared to 53,063 tons in January, and was the highest daily average production since February a year ago.

Steel ingot production passed the 2,000,000 mark for the first time in twelve months. The February output was 2,069,000 tons in 28 days, against only 1,892,000 tons in the 31 days of January. The unfilled orders of the United States Steel Corporation showed a further decline of 101,000 tons, giving a total at the end of February of 4,141,000 tons. The trade does not appear to regard this decrease as an unfavorable sign but indicating that United States steel is increasing its capacity in operation. Conditions are not yet sufficiently stabilized to induce a large volume of forward orders.

Prices of iron and steel, in common with all other metals, tended to decline in February. Many of these products are now below the pre-war level.



# An Outstanding Convention

*National Association of Manufacturers planning for the largest meeting in its history at the Waldorf-Astoria Hotel, in New York, May 8, 9 and 10, with many Convention innovations scheduled*

**D**ETERMINED efforts to coordinate the energies of government and financial and industrial interests in solving the critical necessities of domestic and foreign business will be made by the National Association of Manufacturers at the twenty-seventh annual convention, which will be held on May 8, 9 and 10 at the Waldorf-Astoria Hotel, New York City.

Practically all of the outstanding problems before the government and industry will be taken up in detail and at length and the discussions will range from tariff, taxation, open shop, bonus, shipping, strikes, banking, finance, to the industrial health and condition of individual communities and individual industries.

John E. Edgerton, president of the National Association of Manufacturers, is devoting himself particularly to making this the outstanding convention in the history of the organization. He is laying plans now to have the attendance the largest in the history of the meetings and already from various sections of the country come promises of the assembling of large numbers of manufacturers who will come in groups. Some of these sectional groups are already making arrangements to come by special train, and are entering upon a good natured rivalry to bring record crowds from the particular localities. As Mr. Edgerton is the first man south of Mason and Dixon's Line to be elected president of the National Association of Manufacturers, a tremendous interest already has been shown throughout the South, and particularly Tennessee, in the coming convention. It is confidently believed now that a larger percentage of the members of the Association will be in attendance at the coming convention, than at any other meeting.

Several innovations in convention offerings will be announced within the

next two weeks. In a general way, the convention is divided into seven outstanding sessions. The delegates will assemble on Monday morning and afternoon May 8. Most of the day will be devoted to this formality and with getting acquainted or coming into touch with friends from the various sections. The evening of Monday, May 8 will be devoted to a Foreign Trade Session, which will be addressed by several men whose reputations on national and international subjects are world-wide. The whole general situation will be presented and at the conclusion of the addresses there will be discussion of the whole subject, with a committee to analyze the suggestions and facts presented and make recommendations on the outstanding advice given. It is believed that the evening will provide an excellent opportunity and valuable material for a strong resolution that will be drawn with the view to helping the Association and the government.

On Tuesday morning there will be an important session devoted to the work and influence of the national trade associations of the country. This will give a bird's-eye view of the trade association situation throughout every section and it will be of unusual interest to the business men following the recent reports of Herbert Hoover and Attorney-General Daugherty on the scope and limitations of trade associations. This session, it is expected, will be presided over by a member of the cabinet and it will be participated in by representatives from every national industrial organization in the country. Already more than fifty such organizations have signified their intention of sending delegates. Results of far-reaching benefit are expected and the greatest interest has already been evidenced in it in official circles in Washington.

On Tuesday afternoon there will be numerous addresses by speakers of

wide prominence, and a series of resolutions taking up many phases of business conditions, will be presented for open discussion by the members present and for adoption by the convention. Numerous suggestions have already been submitted by the members in various parts of the country, and it is believed this session will prove one of the most fruitful of its character ever held in connection with a business or trade gathering. The personal and direct interest of every member of the Association is appealed to for this session in order to produce strong, powerful, appealing resolutions which will mean something for business and industry.

On Tuesday evening there will be the annual banquet, which will be presided over by Mr. Edgerton. James A. Emery, of Washington, whose reputation as a toastmaster is nation-wide, will serve in this capacity. Speakers for the occasion will be announced later.

On Wednesday morning and afternoon there will be other addresses on industrial and business topics of the day with a general summary and survey that will be of immense value to the manufacturers in all industries.

On Wednesday night an innovation is offered through the courtesy of the United States Bureau of Foreign and Domestic Commerce. This will be the presentation of "Industrial America" on the moving picture screen. It will be the first official public showing of the industrial motion pictures being made by the Department of Commerce of the industries throughout the country. The picture program will be a composite picture, made up from the best scenes that are now being obtained. Along with the exhibition there will be an address on the motion picture industry. An invitation has already been extended to Will Hays, who has just resigned from the office of Postmaster General to accept the task of directing the entire film industry, to make an address.

# The Coal Strike Set For April

*Industry and the general public have little to fear, it is made clear, because, in the event of a complete stoppage of production from union mines, non-union mines would nearly supply demand*

*Written especially for AMERICAN INDUSTRIES*

**By J. D. A. MORROW**

**Vice-President, National Coal Association**

**S**INCE the National Coal Association, by charter limitation, has nothing to do with wage scales or labor negotiations, the writer will make no comment upon the labor policies of the operators either in the union fields or the non-union fields, or upon that of the United Mine Workers. He will endeavor in this article to state only such salient facts in relation to the prospective coal strike of April 1 as are of concern to the consumer of coal. Moreover, it should be clearly understood that the writer is speaking of conditions in the bituminous coal industry only and not with respect to the anthracite situation.

So far as the issues involved in the prospective strike have been stated by the representatives of the United Mine Workers they are of two classes. One concerns the method by which the new agreement is to be worked out and the other concerns the scale of wages in effect after April first. Representatives of the United Mine Workers are insisting that unless there is a conference at which the entire Central Competitive Field is represented no wage agreement shall be reached in any other way; they have also declared that they will accept no reduction in wages from the scale now in effect.

It is already apparent that the General Executive Board of the United Mine Workers is not going to be able to hold the miners of individual districts back from reaching agreements with their own operators without waiting for a conference of the combined Central Competitive Field. The Illinois miners are in communication with the operators of that State with a view to a State conference; the miners and operators of Northern West Virginia have fixed a date for a conference for their district. The Southwestern States have announced that they will no longer parley through the Central Competitive Field, but will adopt their own agreements. In other districts movements are well under way looking to separate district agreements.

An attempt to make it appear that the whole principle of collective bargaining is involved in the question of a combined conference for the en-

tire Central Competitive Field is only a way of befogging the issue and of distracting the attention of the public from the more fundamental question at issue, which is the justification for the present high wage scales in the bituminous coal industry.

In considering the second demand of the mine workers, that for the maintenance of the present wage scale, it is

**O**FFICIALS of the United Mine Workers of America issued an order March 21 in New York City directing 600,000 miners in the bituminous and anthracite coal fields to stop work at midnight, March 31, when the agreement with the operators expired.

The order set forth that the representatives of the miners have been unable to obtain co-operation from the coal operators in a discussion or adjustments of the issues. John L. Lewis, president of the United Mine Workers, gave out the order after a long conference with anthracite operators. The strike call was placed in the mails from the union's headquarters at Indianapolis simultaneously with its issuance in New York.

As "American Industries" goes to press efforts are being made to induce President Harding to summon both sides to a conference to bring about a settlement or agreement not to strike.

well for readers to remember that the wage contract now in force in the union fields, which dates from April 1, 1920, and runs to March 31, 1922, was made as a result of the award of the United States Bituminous Coal Commission following the strike of 1919. This contract carries the highest scale of wages ever known in the bituminous coal industry. It represents an increase of approximately 40 per cent even above

the scale in effect at the signing of the armistice. During the active business of 1920 non-union fields were compelled to pay practically identical wages with those in the union fields, but when industrial activity fell off in 1921 miners in the non-union fields accepted gradual readjustments of their wages downward to keep pace with the fall in the cost of living and the change in industrial conditions. As a result of that policy the union fields are to-day operating under contracts which require them to pay as a standard wage approximately \$7.50 a day for day men and tonnage rates in proportion, while in different non-union fields the rates for day men are \$4.50 per day and even less and the tonnage rate is such as to enable a miner to earn around \$5.00 a day.

Labor constitutes practically 68 per cent of the total cost of producing bituminous coal at the present time. It will be seen, therefore, that with the material reductions that have been made in wage scales in non-union fields, the total cost of producing coal in those districts has been so much reduced that operators of non-union mines are able to undersell producers in the union fields. Consequently consumers have transferred much of their business to the lower cost non-union districts; many of the union fields have operated only a few days a month, to the obvious hardship of both employers and employees. If the United Mine Workers were able to carry out their declared policy of maintaining existing scales in union fields the result would be a perpetuation of the present serious competitive advantage of the non-union fields and the continuation of slack work and low earnings in the union districts.

Miners' wages constitute the only class of wages of any important industry which have not already been subject to readjustment downward from the post-war level. Representatives of the union have failed to advance any reason why their rates of pay should not be subject to the same sort of readjustment to which wages in other industries have had to submit.

The consumer of coal is primarily interested in the question how his ability to obtain coal is likely to be affected if the strike develops. In reaching an answer to that question two considerations are of primary importance. The first is, how much coal will be produced even after the strike is declared; the second is, how great are the existing stocks of coal on which consumers can draw if their regular supply is shut off?

Not all bituminous coal is produced in organized territory. Approximately 62 per cent of the normal output of soft coal comes from union mines and 38 per cent from non-union mines. Moreover, except for the great States of Ohio, Indiana and Illinois, and the coal producing area of the Southwest, union and non-union mines are found within easy competitive radius of each other. The majority of the Pennsylvania mines are union but there is a very large non-union capacity in the State. On the other hand, while a large part of West Virginia is union, there is even more non-union capacity in that State. The Northeastern part of the United States, which is the great industrial section, can be reached from non-union producing coal territories without excessively long railroad hauls.

The greatest output of bituminous coal reached in any year was the 579,000,000 tons production of 1918. The capacity of the mines of the country is far in excess of the maximum production and is variously estimated to run from 750,000,000 to 900,000,000 tons a year. This excess capacity is found both in union and non-union fields. On the basis of an estimated total annual capacity of 776,000,000 tons for both union and non-union mines, which is a very conservative estimate, the capacity of non-union mines, based on their actual performance in the past, is but little short of 300,000,000 tons a year, or 6,000,000 tons a week. That is, in case of the union mines shutting down on April first, non-union mines have a capacity of turning out no less than 6,000,000 tons of coal a week, a capacity which would be rapidly developed to the utmost.

On the first of January, 1922, stocks of bituminous coal in the United States were estimated by the Geological Survey at 47,500,000 tons. Since the middle of January production has been running at a high figure, reaching a maximum of 11,000,000 tons in the week ended March 11. As current consumption is running little, if any, above 8,000,000 tons a week, it is obvious that large amounts of bituminous coal are being added week by week to the stocks on hand. It seems safe to say that by April first stocks of bituminous coal in the United States will be

appreciably larger than the maximum previous amount of 63,000,000 tons.

In estimating how long these stocks will serve to make good any deficiency caused by a strike, two circumstances must be borne in mind. In the first place a certain amount of bituminous coal must at all times be in the hands of consumers at their boiler plants or in the yards of retail dealers, to serve as a sort of current working coal capital. Acute hardship would result if stocks dropped below these figures. If 25,000,000 tons of the 65,000,000 tons of stocks be regarded as such working capital, there remains 40,000,000 tons out of which to make good any deficiency in output caused by the strike.

It cannot be assumed that this surplus coal is uniformly distributed; some communities and some individuals in all communities are well supplied, while other communities and other individuals may have a less adequate supply. Individuals or localities may feel the pinch of a coal shortage, while there is still for the country as a whole a generous supply on hand. Even allowing for these facts, however, it is obvious that the existing stock of bituminous coal is sufficient to tide over a considerable period of reduced production.

It is probable that the consumption of bituminous coal after April first will not much, if any, exceed seven and a half million tons per week. In the case of a strike at the anthracite mines there will be approximately a million tons per week of steam sizes of

anthracite which will have to be replaced by bituminous coal. It is well known, however, that the anthracite mines have in storage somewhere between two and three million tons of steam sizes, which can be drawn upon in case of need. But if we assume that bituminous coal from stocks must make good a deficit of two or two and a half million tons per week, it will be seen that the forty million tons of available stocks will effectually safeguard the country from any serious bituminous coal shortage for many weeks to come.

**We may sum up the situation as follows: In case of a complete stoppage of production from union mines the output of non-union mines would supply three-fourths of the current demand for bituminous coal. Stocks of coal on hand by April first will be sufficiently large to make good the deficiency in output for many weeks.**

The obvious lack of harmony in the ranks of the United Mine Workers makes it improbable that all union territory will be closed down for any considerable time. The prospect is that local agreements will be reached which will be followed by the opening of mines in individual territories and the output of bituminous coal will rapidly return to normal. Under such circumstances it would seem to be the part of wisdom for consumers to make reasonable preparation for an interruption of the bituminous coal supply, but, on the other hand, there is no reason to anticipate any such shortage of supply as will result in serious hardship or justify a panicky market.

## Educating Paper Makers

**T**HAT the paper industry of the United States and Canada has paid nearly \$40,000 as merely a preparatory step toward the education of the employees in the mills will be the announcement made at the forty-fifth annual convention of the American Paper and Pulp Association, to be held in New York City, April 10 to 14, when a campaign will be inaugurated among the paper manufacturers for the organization of technical classes in paper making in their mills.

The industry has expended \$40,000 merely in the preparation and editing of the text-book material which will be used in teaching the mill employees. The cost of publishing five volumes of text-books and the expense of instruction will be added to the initial expense, but the result will probably be the most elaborate system of education ever formulated by any industry for its employees. The classes are to be formed only of those already in the mills, and trade schools to train boys

for the industry are not part of the program.

At the coming convention the first steps will be taken toward an organized campaign of actual education among the mills. Some mills have actually started the courses before the text-books are completed, and methods will be recommended for such instruction through extension courses.

A report now being compiled of the present status of the educational movement will be presented by George E. Williamson of Mittineague, Mass., president of the Technical Association of the Pulp and Paper Industry, which, in coöperation with the technical men of Canada, has organized this education campaign. A preliminary report has already been prepared by J. C. Wright, Assistant Director of Industrial Education of the Federal Board for Vocational Education, which analyzes the individual courses needed by any employe in a paper mill to prepare him for promotion.

# American Valuation and Retailers

*When skilled labor is costing about \$5. a week in Germany and \$5. a day in the United States, it does not take much figuring to see that American industries are bound to suffer in competition*

Written especially for AMERICAN INDUSTRIES

By C. D. WAGONER

IN considering the pending tariff bill each industry or business is, of course, inclined to study the subject from its own standpoint. There can be no doubt in the mind of anybody who has studied the situation that unless we have a tariff that fairly represents the difference between production costs here and production costs abroad manufacturers in this country generally will be unable to compete with foreign goods. Let us see who will benefit from such a situation.

It goes without saying that the manufacturer unable to compete with foreign goods will not benefit for the reason that his factories will be closed or operated at best only on part time. No manufacturer can succeed when his factory is not operating nor can he succeed very well if his factory is only operating on part time. The wage-earners that he employs will not be benefited for the reason that many of them will not have their jobs. The local merchants in the locality, of course, will not be benefited because if we reduce the buying power of the wage earners in any locality they cannot purchase goods from the merchants. It is, therefore, generally conceded that any industrial center, that is, any center dependent upon manufacturing industry, would not be benefited by lack of proper protection to American industry. For example: the City of Schenectady, N. Y., is largely dependent upon two industries. Whenever the working forces in those industries are reduced, whatever may be the cause, the local merchants in that city immediately suffer. On the other hand, when the industry is running full force things are prosperous in that locality. This has happened time and again. It is needless to say that that city is for a tariff.

It follows, therefore, that unless America gets an adequate protective tariff, industrial centers engaged in manufacturing goods that can be produced abroad will suffer materially because of the reduced buying power of the individuals engaged in the various industries.

That American manufacturers are unable to compete with German manufacturers is manifest from the fact that

skilled laborers in Germany at the present time are receiving not to exceed \$5 per week, whereas skilled laborers in the United States are asking about \$5 per day for the same work. This means that the living conditions in the United States for wage earners are on a much higher plane than like living conditions abroad.

Striking examples of what cheaply made German goods means to American industry are given in shares almost everywhere in the country. Take two thermos bottles, look very much the same. The one, made in Germany, represents a manufacturing cost of 8.5 cents, American money, and is laid down in this country for 12.2 cents. The other, manufactured in this country, represents a production cost of \$1.01, or ten times the cost of the imported bottle. The same comparison is true with two watt-meters, one made in Germany with German labor and the other made in the United States with United States labor. These two watt-meters are similar and serve precisely the same purpose. The German watt-meter was purchased at wholesale in Germany for 300 marks which was equivalent in United States money on November 1, 1921, to about \$1.50 (the mark being worth on that date about one-half of one cent). The wholesale selling price of the American watt-meter in the United States is \$8. The difference is due entirely to the difference in the amount of wages paid in the two countries and depreciation of the foreign currency.

Suppose that a certain locality was dependent largely upon the success of a watt-meter manufacturing establishment. Unless an adequate duty were imposed upon the German watt-meter the American establishment would go out of business and the merchants in that locality would suffer because the employees would be out of work and unable to buy from the local retail merchants. While this process was going on a very few large mail order houses doubtless would prosper because they would purchase foreign goods in large quantities at low prices and would sell to some of the large customers of the local retail merchants through a catalogue at prices much lower than

those that could be offered by the retail merchants. The fact is, that the failure to provide an adequate tariff results in a great benefit to a very few of the big merchants but in a tremendous loss to the average merchant throughout the country.

The case of two knives illustrated the enormous profit made by the big importing houses on German cutlery. One knife was purchased in Germany for 9 American cents. The other made by the same company in Germany was purchased from a big Chicago importing department store for \$5.

In enacting any tariff law it is necessary to impose some duties in respect to value. These duties are known as *ad valorem* duties. They affect about 12 per cent of our total importations. Other duties are based upon quantity, that is, at so much per pound, yard, etc., and are known as specific duties.

Due to the depreciation of the German mark it is impracticable and impossible to impose an adequate *ad valorem* duty upon goods manufactured in Germany without making the rate so high as to make it prohibitive against other countries. Take the illustration of the watt-meter. If the duty were imposed upon the foreign selling value of \$1.50 (as would be the case under existing law), and the rate were fixed at 50 per cent, the duty would only be 75 cents because 50 per cent of \$1.50 is 75 cents. This duty would be entirely inadequate to permit the American industry to continue its business and employ its labor. If the duty were imposed upon the American wholesale selling price, on the other hand, at the same rate, it would amount to \$4 instead of 75 cents because 50 per cent of \$8 (the American wholesale price) is \$4. This would give some protection to the American industry.

The pending tariff bill in order to meet the present situation proposed to impose *ad valorem* duties upon the American wholesale value instead of the foreign wholesale value. That is what American valuation means and its real purpose is to make it possible to impose a fair and equitable tariff in respect to German importations at a

rate which will not be prohibitive against other countries. Suppose in the above mentioned case that England also made a watt-meter which sold in England at wholesale for \$3 instead of \$1.50, the price in Germany. This may be about the relation between the cost of English goods and the cost of German goods to-day. (England has already passed a tariff act using her home value as a basis to protect her industries against German importations.) An *ad valorem* duty of 50 per cent based upon the American selling price would make the landed cost of the English meter \$7 or \$1 less than the price here, so that it could compete with the American product. In order to get an adequate duty upon the German product based upon the foreign value the rate would have to be at least 300 per cent. Such a rate would put England out of the game. She could not compete with Germany in selling her meters in this country. Germany is not indebted to the United States. England is. The American valuation plan, therefore, will give England an opportunity to compete with Germany in this country and give her also an opportunity to pay her debts here.

There is another thing about the American valuation plan which is important and that is that it makes *ad*

*valorem* duties operate the same as specific duties. If the *ad valorem* rate is applied upon the American wholesale value the duty will be the same in dollars, regardless of the country from which the importation is made. If, on the other hand, the *ad valorem* rate be applied on the foreign wholesale value those countries with the lowest production costs or whose currencies have depreciated to the greatest extent would pay the smallest amount for the privilege of selling their products in this country.

If the American valuation plan be not adopted what will be suggested to take the place of it that will meet the present situation and keep the American factories running? Retail merchants are more dependent on the buying power of American producers, including wage earners, than on any other class of people. No merchant, other than the very large importing houses, can hope to gain anything by advocating a policy that tends to put the American producers out of business and reduce the buying power of their own customers. Not every retail merchant can become a small order house for the purpose of selling commodities produced abroad. If they could and did there would be few indeed to whom such products could be sold because the buy-

ing power of the American public would be so reduced that there would not be enough customers to go around.

Such manufacturers, due very largely, we believe, to the delay in passing the pending tariff bill, are already purchasing factories in Germany with the expectation of producing goods there with cheap foreign labor to be sold in the United States. It is quite possible that a few manufacturers might make a fair return on their investment by producing in this manner but their employees in this country in the meantime are left without employment and if every manufacturer followed this example the buying power here would be materially reduced and the buying power in Germany materially increased.

It is for the merchants of this country to determine for themselves whether they desire to increase the buying power here or to increase it in some foreign country. It would seem to go without saying that it is for the benefit of merchants generally to have the buying power increased here rather than to have it increased abroad, because right here in the United States live their best customers and in the great majority of cases their only customers. For these reasons it behooves every retail merchant, to get back of the Fordney tariff bill and ask for its early enactment.

## Lumbermen To Meet

The annual meeting of the National Lumber Manufacturers' Association will be held in Chicago, April 4 and 5 and the American Lumber Congress, April 6 and 7.

Lumber manufacturers from every producing region in the United States will take part in the first event of the week, while the American Lumber Congress will attract those who are interested in all phases of the lumber business, and especially the retail dealers. The latter event will be a general get-together meeting of all who are interested in wood.

It is considered particularly fortunate from the lumbermen's standpoint that they will be in Chicago during the same week that a large number of the most prominent construction contractors, builders, material manufacturers and architectural engineers in the United States will gather to attend sessions of the national building conference under the auspices of the National Federation of Construction Industries.

All the delegates will be interested in the proceedings of each of these industrial groups, and the joint meeting, which will be in the form of a dinner

given by the National Lumber Manufacturers' Association to its own membership and the members of the other two associations, will be made notable by a program of speeches which, in all probability, will include Secretary of Commerce Hoover, Senator Medill McCormick and other men of national prominence.

The National Lumber Manufacturers' Association will celebrate at its Chicago meeting the twentieth year of continuous organized activity. Many problems confront the industry, and important matters of policy will be discussed and decided at the coming annual meeting.

One of the most interesting and important matters to be considered by the lumbermen will be the policy of the industry in relation to its national advertising campaign. The lumber manufacturing industry as a whole started in on this work just a year ago, and its purpose was to acquaint the public with the real truth about the industry and to allay prejudice and apathy in the public mind, due to lack of specific information.

### TRADE FAIR IN POLAND

The 1922 Eastern Fair in Poland will be held from September 5 to 15, at Lwów (Lemberg). The object of these fairs is to make Lwów a distributing base for eastern trade expansion which is made possible by the favorable location of Lwów. At the last annual fair there were 1,500 exhibitors, almost 500,000 visitors and the business transacted amounted to 26,000,000,000 Polish marks. In the 1922 fair special consideration will be given to space for foreign exhibitors. The American Polish Chamber of Commerce, 953 Third Avenue, New York City, is prepared to answer all inquiries concerning this fair.

### COAL PRODUCTION LARGE

Coal production continued to increase during the second month of the year. Even with the smaller number of working days the output of bituminous coal was 3,000,000 tons greater than in January. This increase was in response to the demand for consumers' stocks in case of prolonged labor difficulties. Prices were slightly lower.

Gasoline production in January, the latest figure available, was the highest for the last eight months. Consumption showed a seasonal drop.



# Lining Up Our Silent Salesmen

*Bureau of Foreign and Domestic Commerce is developing industrial motion pictures for world-wide distribution in order to emphasize the worth of American products to all the workers of the world*

*Written especially for AMERICAN INDUSTRIES*

By **MORTON F. LEOPOLD**

Engineer in charge of Motion Picture Activities, U. S. Bureau of Foreign and Domestic Commerce

THE old proverb of "Seeing is believing" is being brought to a point of realization more each day through the medium of the motion picture film. For educational purposes its value is proving inestimable. The success of promoting foreign trade by the use of the film has been fully realized by foreign countries for the past few years and several of the larger European countries at this time are using this means of acquainting people throughout the world with the products and methods of manufacture of that country's various industries.

One of the things that is nearest the heart of Secretary Hoover is the promoting of our foreign trade, and the United States Bureau of Foreign and Domestic Commerce of the Department of Commerce clearly appreciates the fact that to promote foreign trade, in these modern times, it must bring to bear the best results of modern science. Probably none of these has advanced to a greater stage of efficiency in the past few years than has the motion picture film.

With the nations of the world again in competition for world trade and the United States endeavoring not only to find immediate markets for the surplus production of this country, but also to establish trade relationship that will develop international amity and stable commerce, the United States Bureau of Mines and the United States Bureau of Foreign and Domestic Commerce have joined hands for the development of the story of American industry, as shown by the motion picture. Misleading stories regarding American industries have led consumers in foreign markets to have an entirely erroneous conception of the United States as a manufacturing center. Uncle Sam is now going before the peoples of the world and say to them, "Here you can see the real truth about American manufacturing plants and the way the operators in those plants, in the factories and mills and mines and shops spend their days. I can guarantee that these are true pictures of how American goods are produced."

This great trade promotion drive by

the government is not going to give Congress even one little tremor of concern about expense, for it is not going to cost Uncle Sam one dollar. The



Morton F. Leopold

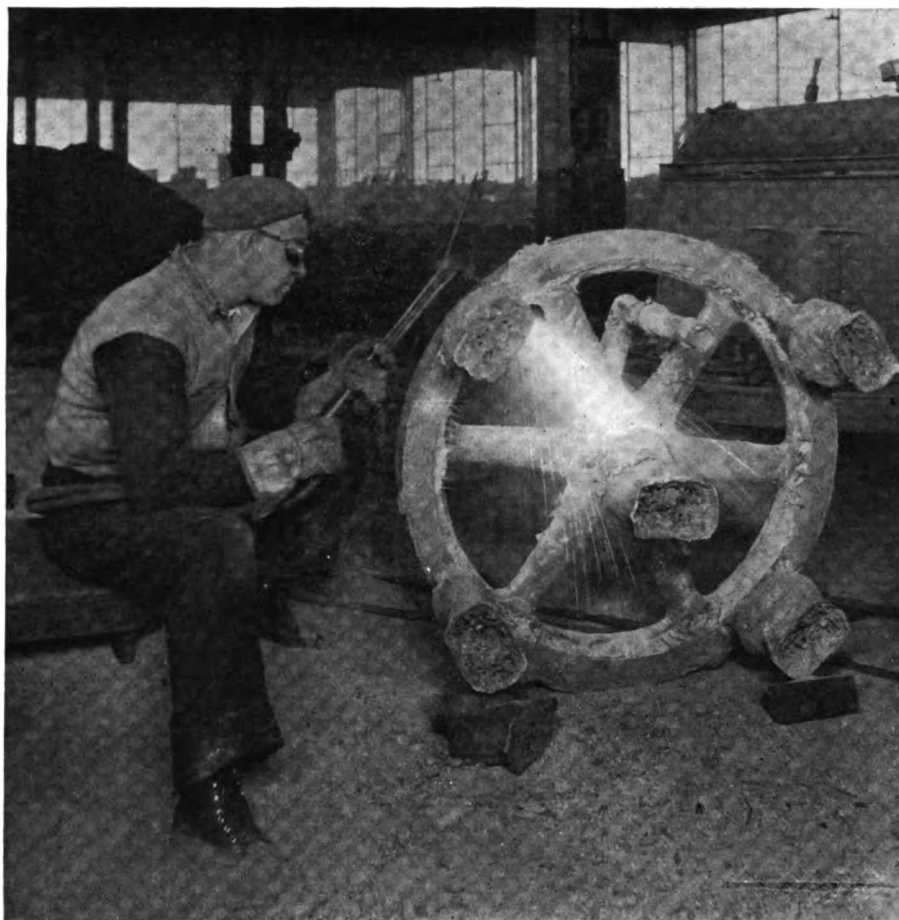
manufacturers of the United States whose plants and products are shown in the film are individually to bear the expense of that particular film, and they are already shouting glee that they have been introduced to the cheapest possible method of making their plants and products known on a world-wide scale. The Bureau of Mines of the Department of the Interior has been carrying on work of this character for the past three years, in coöperation with various manufacturers of mining equipment, and it has proved most satisfactory, both from an educational point of view and also to the companies that have coöperated. Many companies whose product is not connected with mining, approached the Bureau of Mines, in regard to coöperating in the production of a film showing its products, but the bureau being authorized only to gather and disseminate information pertaining to the mining industry, it was impossible to coöperate with these companies. These inquiries reached such large numbers that the Director of the Bureau of Mines approached the Director of the Bureau

of Foreign and Domestic Commerce, with the idea that the two bureaus might coöperate in the production and distribution of industrial films.

The cost of the actual photography, as well as the expense incurred in the making of additional prints of the films, is borne by the coöperating company. The approximate cost for the production of a three-reel film has usually been about four thousand dollars, and additional sets of a three-reel film cost about one hundred and fifty dollars each.

The procedure in producing an industrial film of this kind, in coöperation with either the Bureau of Mines or the Bureau of Foreign and Domestic Commerce is as follows: Through a coöperative arrangement, M. F. Leopold, the engineer who has been directing the production of such films for the Bureau of Mines for the past three years, is now available for this same purpose to the Bureau of Foreign and Domestic Commerce. Should a company express a desire to produce an educational film, arrangements are made for the engineer to make a visit to the plant in question; after this inspection, it is possible to furnish the officials of said company, an estimate of the approximate cost of its production. Some plants can show in a one-reel film, the essential features of their methods of manufacture and products, but, in other cases, it requires a three-reel film to clearly show. The actual direction of the taking of the film is under his supervision, with the advice and assistance of such officials as may be designated by the coöperating company.

After the film has been completed to the best ability and satisfaction of the engineer in charge, and the representative of the coöperating company, it is forwarded to Washington where it is shown before a board of review, consisting of a representative of the Bureau of Mines, one from the Bureau of Foreign and Domestic Commerce, and a well-known man selected from the motion picture industry, who is expert in judging the photographic quality as well as the presentation of



The story of oxygen

the subject, but who is not interested in the picture.

After the film has passed the board of review, or suggested changes have been made, the company is notified of the acceptance of the film and the co-operating company then decides how many prints they desire to furnish for distribution. In each case, the main title of the film will read as follows:

*This picture is produced under the direction of the  
U. S. Bureau of Foreign and Domestic  
Commerce—in coöperation with  
(Name of Coöperating Company)*

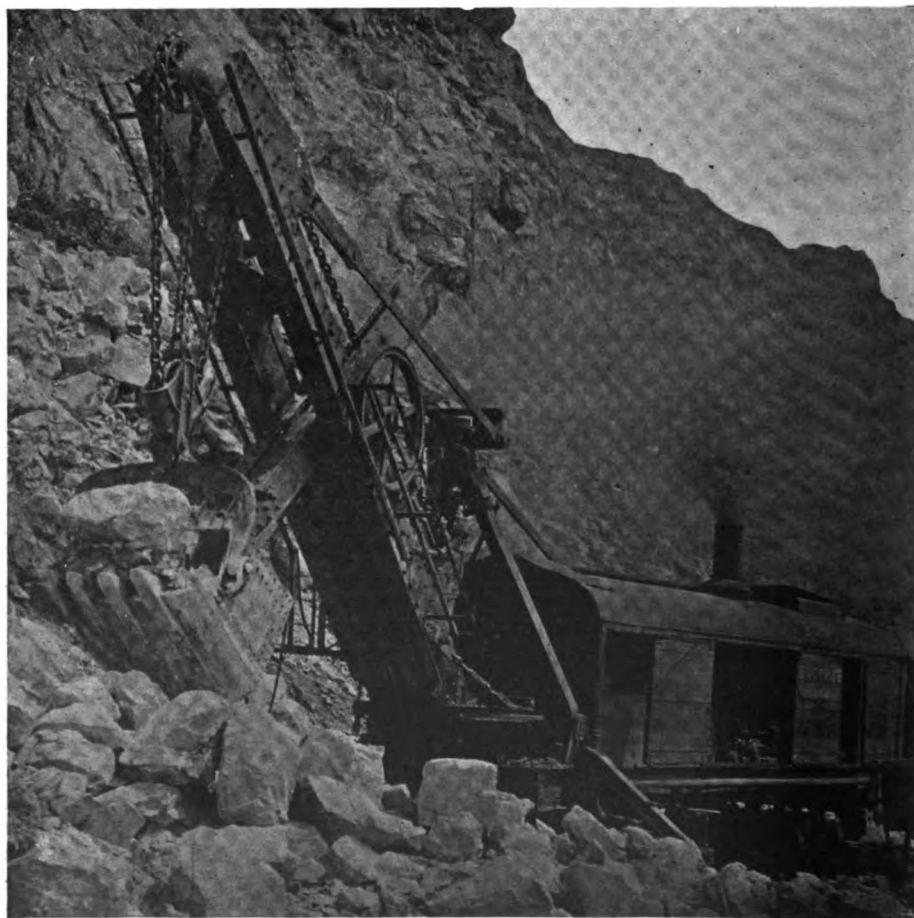
Where the subject shown deals with the mineral industries, the words "Bureau of Mines" is used in place of Bureau of Foreign and Domestic Commerce.

The circulation of the film is provided for entirely by the Bureaus, both in the United States and foreign countries. Every endeavor will be made to provide for a film, the widest possible circulation and if a company desires to educate the public of certain countries in the merits of American-made goods, as exemplified in its own products, every effort will be made to place these films where they will be most effective to this end. America leads in the production of motion picture films for amusement purposes, and with well-

directed efforts, it should be possible to maintain this lead in pictures of utilitarian value to its industries.

The best recommendation American industries can have throughout the world is by showing the authentic facts and surely no better way can be adopted by American industries than by presenting the facts regarding their plants and methods through the realistic medium of the motion picture. In this way, our foreign neighbors will soon learn the true facts regarding our industries and products and will come to know that when they see before them a motion picture film of an American industry, that has been produced under the direction of a Government bureau, they can be assured that every scene and title has been carefully edited and reviewed by competent government representatives and therefore are true to facts to the smallest detail.

The engineer in charge of this work has recently returned from a visit to several of the larger manufacturing centers of the country and has interviewed many officials, who have expressed a desire to coöperate with the Government in this work. All are of the same opinion that the Government is offering the industries of the United States a splendid opportunity to promote foreign trade abroad and to acquaint the people of our own country



The story of heavy excavating machinery



The story of coal—ready for the day's work

with the essential facts regarding its industries in a way that has never before been attempted. Expressions have been received from all sections of the country as to the great value of this work to American industries, both from an educational and financial point of view.

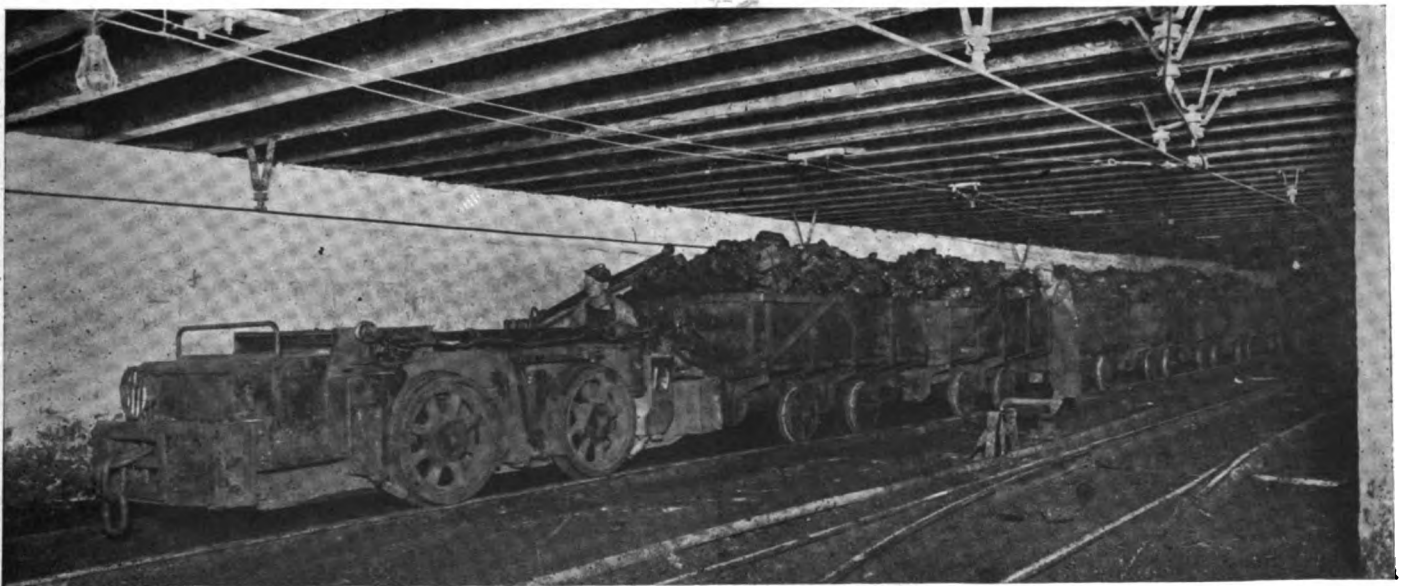
Numerous means have been undertaken by the Government in the past to promote foreign trade abroad, but probably none has ever appealed to the industries themselves more than this broad-minded policy of promoting trade

through the medium of the motion picture film. It is not only the intention of the Government to utilize these industrial films for foreign circulation but to use them for broad circulation throughout the United States.

It is hoped that with the coöperation of American manufacturers in financing these films of their plants and products, it will only be a short time before educational institutions, chambers of commerce, boards of trade and all civic organizations will come to know that, should they desire the use of a motion

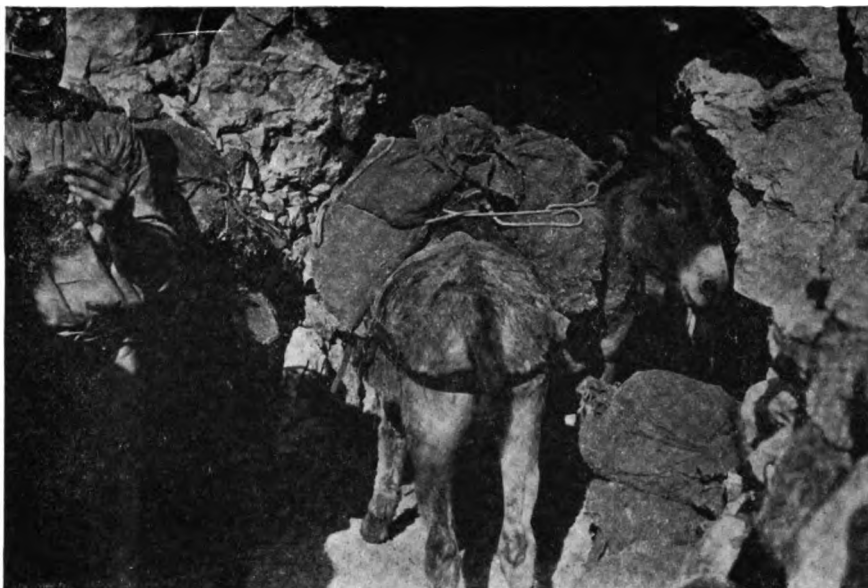
picture film for entertainment or educational purposes, they may apply to the Department of Commerce or Department of the Interior for the loan of a film without cost to them, and they will be assured that when the picture is projected on the screen it will be a true portrayal of the subject shown and that its authenticity is backed up by the Government.

From reports received by the Bureau of Mines from various companies who have coöperated in the production of such films during the past two years,



Train-load of coal—800 feet underground



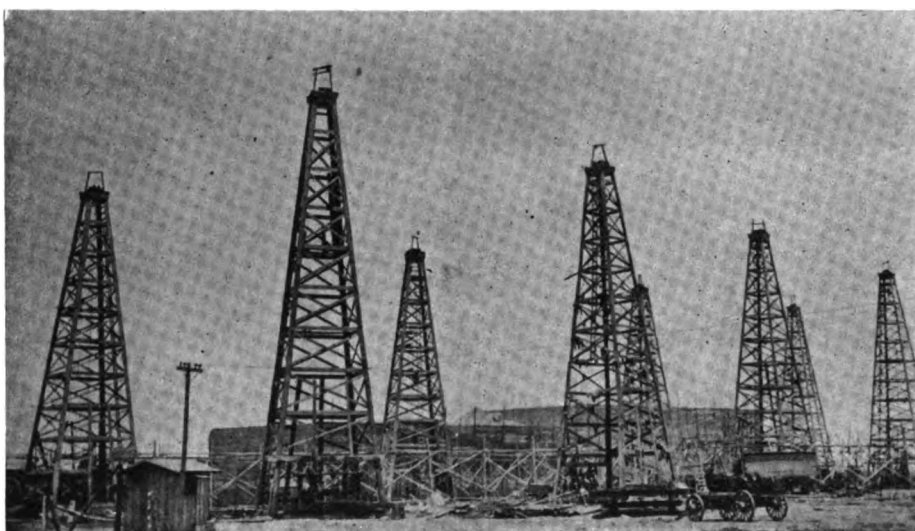


Bringing asbestos ore from the mines

it is most gratifying to learn that they have considered the investment a most paying one and all have expressed a desire to continue this coöperation in the way of adding scenes to their films from time to time so that the subject presented will be up-to-date in every respect. Many films that various companies have in their possession, showing their plants and products, have been submitted within the past few weeks for the purpose of determining if they are suitable for government use.

In many cases they have been produced solely for advertising purposes and the subjects presented do not portray true stories of either the plants or the products nor do they do justice to the company itself. In several cases it was found that with the expenditure of a small amount, the film in question could be brought to the standard which has been set for these films by the government before the same can be taken for distribution both in this country and abroad.

To bring complete success to this undertaking, the government must have the hearty coöperation of American industries and it is felt that with this coöperation it will be but a short time before American products will be shown throughout the world on the screen and all peoples will come to



Sulphur wells in Texas

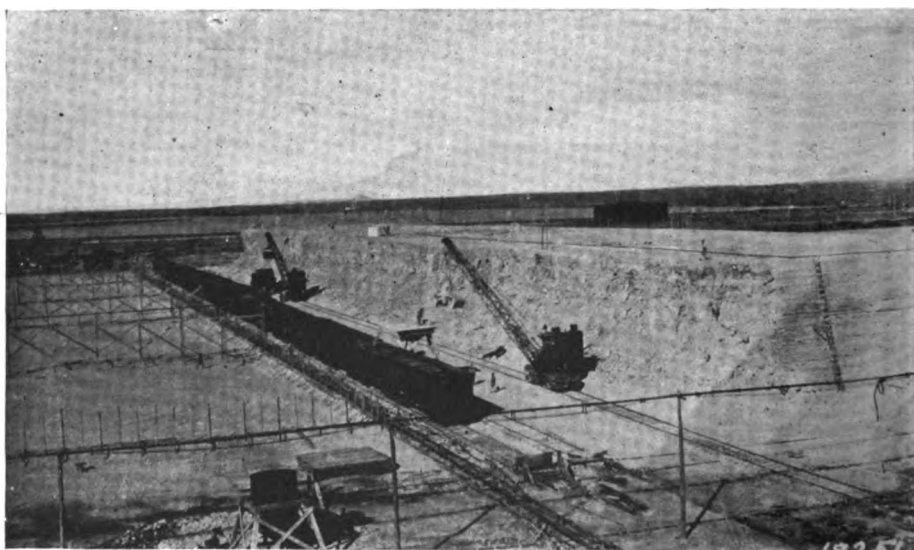
know of the efficient methods used in producing American goods. It will al-

so bring before the eyes of the world the splendid conditions under which American labor toils and the work that is carried on by our great industries for the purpose of making work in the plants a pleasure, and what is being done to prepare the future generation for the great part that America will play in the world's trade.

It is hoped that our industries will use every means at their command to give the government every coöperation in this great undertaking, and by so doing America will take her part in world trade and will place before the eyes of the world the resources at the command of this great country. Many peoples of the world can neither read nor write but they all have eyes and it has been fully demonstrated that motion picture films carry their message and purpose from our highest educational institutions to the wilds of Africa. The coming world's fair, to

be held in South America this fall, will be a battle royal among countries for the capture of the trade of that continent and we are informed that many foreign countries are at this time preparing industrial motion picture films of their industries for use, not only in South America, but throughout the world. The motion picture is a force that should be used to its greatest effect,

industrially and commercially in all possible national efforts.



250,000 tons of sulphur ready for shipment

# Industrial Picture Conference

*Manufacturers all over the country interested in business and educational films will meet in Washington this month to devise methods for more intelligent production and wider distribution*

**R**EALIZING that the production and distribution of industrial motion pictures never has been brought up to the standard of service that is desired and required by the industries of the country, the National Association of Manufacturers has announced the inauguration of a nationwide effort to organize all the industries of the country that produce motion pictures, for a systematic, centered method of distribution that will not only cover the country but reach into other lands as well.

John E. Edgerton, president of the National Association of Manufacturers, has called a conference for April 11, at the Willard Hotel, Washington, of all manufacturers interested in the motion picture as a means of industrial education and salesmanship. He is assembling the manufacturers primarily to further the use of motion pictures in developing our own markets and our knowledge of industry. But, in the broader field, he sees an immediate necessity for this country to develop its industrial and sales pictures to the very highest point in order to keep abreast of other countries in the sweeping war for commerce that is being carried on by every powerful nation. As if the United States was not sufficiently menaced by the flood of low-cost goods from Germany and other countries, it is known that within the last thirty days England, France and Germany have started out to wage a most intensive campaign for the commerce of the world, utilizing motion pictures to advance the worthiness of their own goods as against those from the other countries.

The National Association of Manufacturers maintains a Motion Picture Bureau, which heretofore has directed its attention mainly to the free circulation of educational, safety and industrial pictures to all parts of the country. With this as a nucleus, the association will enlarge the scope of the bureau to serve all the manufacturers of the country, not only in the distribution of pictures through the proper channels in this country, but also in other countries where the missionary work of the Silent Salesman is so greatly needed by the United States.

At the Washington Conference, there will be addresses by Mr. Edgerton and

other prominent manufacturers. Dr. Julius Klein, director, Bureau of Foreign and Domestic Commerce, will describe the practical work done by his bureau in other countries through the use of motion pictures and H. Foster Bain, director, United States Bureau of Mines, will tell of actual accomplishments of his bureau through the pictures. Other addresses will be made, laying down experiences, some of them unfortunate, of the manufacturers with their pictures produced at great cost but which were practically failures because no adequate and systematic method of distribution had been provided.

In explaining the purposes of the conference and the reason for calling it, Mr. Edgerton said:

"We have called this conference of manufacturers interested in moving pictures, because we have seen the great need of a central distribution and production organization. The National Association of Manufacturers is in a position to provide a systematic, natural method of distribution, and it is the purpose of the association to do its work absolutely free of cost to the producers. The motion picture for industry received a very black eye within the last two or three years because so many pictures were made by persons whose promises regarding distribution were not carried out after the picture was made, resulting in the loss of hundreds of thousands of dollars to the manufacturers. The motion picture can be of great industrial and commercial value to this country, not only at home but abroad. We have seen the very bad effect of the flood of goods from low-cost countries; we have seen many of our factories shutting down because of this invasion. We have not taken the proper steps for protection, and I am speaking entirely from a non-partisan, non-political standpoint, the standpoint of an American who is interested in seeing protection given to our industries and institutions which have grown on a high wage scale and high production scale. And we must look to the protection of our interests in other parts of the world; not merely protection at home. Other countries, having flooded America with goods produced at a figure far below anything we could dream of, are now going into the other sections of the world,

preaching the superiority of their goods and using the motion picture as one of the most effective salesmen. American goods are bound to suffer and we must not close our eyes to this situation. We must go out after this business as we would for domestic business. And one of our most valuable means will be the industrial motion picture. Other countries are starting this motion picture sales campaign in a very vigorous way and we certainly should not stay behind any longer."

## BUSINESS STOCKED FOR STRIKE

Business throughout the country will not be affected by the strike of bituminous miners, scheduled to begin April 1. This was the information given out in Washington by a member of President Harding's Cabinet who has been in close touch with conditions in all sections of the nation.

It was further declared that a coal strike will find the railroads of the country stocked up with reserve supplies of coal, which they have been accumulating in anticipation of a strike among the bituminous miners. This supply will last the transportation companies from thirty to sixty days at least. In addition to this it was pointed out that the non-union mines throughout the country, especially the fields in West Virginia, which are tapped by the Norfolk & Western and Chesapeake & Ohio railroads, will be kept going at top speed and will be able to supply half the normal quantity of coal used by the big industries.

There is no intention of the Government to interfere if a strike is called, it was said by this Cabinet member. Past experience has shown that coal strikes, after they have been in progress for any length of time are usually settled on the motion of either the operators or miners and it was said that with the railroads moving and industries not interfered with, there would be no reason for the Government to take any stand in the situation.

It has been estimated by the United States Geological Survey that the steel industry throughout the nation has a fifty-two days' supply of coal on hand, public utilities forty-four days supply and other industries thirty-four days supply.



## ***Bits of News About Men in Industry***

New England growers planted 40,962 acres to tobacco this year. A report by V. A. Sanders, Federal crop statistician, showed that 65 per cent of this total was in Hartford County, Connecticut. The total acreage by States was: Connecticut, 30,509; Massachusetts, 10,180; New Hampshire, 171, and Vermont, 102.

Wholesale produce merchants have organized the Wilmington (Del.) Produce Credit and Collection Association, Inc., with the following officers: George B. Booker, president; J. C. Wilson, vice-president; Frank Wilson, secretary; H. C. Humphreys, treasurer.

The plant of the Bowie Stove Works, Rome, Ga., destroyed by fire, will be rebuilt at once with enlargements. The name will be changed to the Rome Range and Stove Company.

The United Fruit Company is contemplating the re-establishment of its tropical fruit service to Galveston, due to the fact that railroad rates to Texas, Oklahoma, Kansas and other points in the interior are lower from Galveston.

The National Underwear Manufacturing Company, at Allentown, Pa., established about five weeks ago, now has sixty employes and is preparing for expansion.

The new Rohrer underwear factory at New Ringgold, Pa., is nearing completion and soon will operate.

The Washburn-Crosby Company, which has confined its operations largely to Minneapolis, is acquiring mills in other leading grain centers. Within the last few months the company has bought mills in Kansas City, Chicago and Buffalo.

The Wilkinson Knitting Mill and the W. A. Kittridge factory at Tunkhannock, Pa., are being enlarged. Ad-

ditional employes will be taken on in both plants.

Sufficient orders to maintain operation for three years are reported by the management of the Bob & Baskind Shirt Factory, at Mahanoy, Pa.

Plans for a new building to cost about \$75,000 have been made by the Eastern Pennsylvania Supply Company, at Wilkes-Barre, Pa.

J. Walter Getty has been elected cashier of the First National Bank, New Windsor, Va., to succeed the late David E. Stem, who held that position for forty-two years.

Cattle sales throughout the Panhandle and West Texas, are reported brisk, because of recent rains by inspectors of the Texas and Southwestern Cattle Raisers' Association.

Shipments and orders of Southern pine increased in the week ended March 17. Production dropped slightly and was 4.2 per cent below shipments.

The Spencer-Turner Company, of New York; the First National Bank of Birmingham and the First National Bank of Athens, holders of \$250,000 of the bonds of the Fulton Cotton Mills of Athens, have bid in the property at a bankruptcy sale.

C. A. Frutch, secretary of the board of bond trustees of Bradford county, Fla., will receive sealed bids until May 2 for \$550,000, 6 per cent road bonds.

At the annual meeting of the stockholders of the Columbia Gas & Electric Co., at Charleston, W. Va., Lewis L. Clarke, president of the American Exchange National Bank of New York, Marshall Field, of Marshall Field, Gloré, Ward & Co., New York and Chicago, Joseph W. Harriman, president of the Harriman National Bank, New York, and Harold Stanley, vice-president of the Guaranty Trust Co., and president of the Guaranty Co. of New York, were added to the board of directors.

Foreign mail deposited in letter boxes in the central office district before six p. m. of the day previous to the sailing of mail steamships from New York hereafter will be put aboard such vessels the next day. This announcement follows conferences between Postmaster Kemp, the Foreign Trade

Committee of the Chamber of Commerce and officials in Washington. Postal authorities announce foreign mail will be handled expeditiously if delivered to Window 17, Foreign Section.

Farm lands in Florida, upon which herds of pedigreed cattle are grazing and where crops are under cultivation, were placed under the management of two Cincinnati attorneys, George F. Osley and Harry B. Mackay, by Federal Judge Peck.

They were named receivers to take charge of the properties of the Walkhill Stock Farm Company, of Hamilton, O., said to be worth \$2,500,000. The American Clearing Company, a Delaware corporation, brought the suit stating that the defendant borrowed \$175,000 from the Van Sant Trust Company, of St. Paul, Minn., and that the bank threatened foreclosure.

Counsel representing creditors and stockholders of the Island Oil and Transport Company agreed to permit continuance of the business by receivers for at least two weeks to permit a close study of the company's condition. The receivers, H. Snowden Marshall and Arthur J. Stevens, were empowered to use available funds to cover expenses of operation.

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# Export And Import Exposition

*Baltimore organization planning for an outstanding exhibition in July, with the view of having an annual display that will be commensurate with the national expositions held by other countries*

*Written especially for AMERICAN INDUSTRIES*

By W. M. BRITTAIN

General Manager, Export and Import Board of Trade, Baltimore

**A**N Export and Import Exposition is to be held in Baltimore during the week of July 10 to 15, 1922. This exposition, a somewhat new departure in the foreign trade of the United States, is the result of the success of the Marine Show and Export and Import Exposition held in the summer of last year under the auspices of the Export and Import Board of Trade of Baltimore. At the close of the 1921 exposition, which more than 90,000 persons attended and at which some of the largest manufacturers in the United States exhibited, it was decided to make this exposition an annual feature of the foreign commerce of the port of Baltimore and of the United States, and to include not only exhibits from this country but from abroad as well.

The Export and Import Board of Trade of Baltimore, with the coöperation of the other trade bodies of the city are planning this year's exposition on a larger scale than last year's effort. The outstanding characteristic will be the relatively great importance placed on the foreign trade features of the exhibits, which will show on a broad and comprehensive scale the nature and importance of the principal exports and imports of the United States. It is hoped and planned that the Baltimore Exposition will in time come to be an event of international moment and be equal in importance to the great European fairs which have proved of such value to the foreign trade of the countries in which they are held. These foreign expositions attract exhibits from all the countries of the world and are of inestimable value to foreign traders and distributors. With the development of the foreign commerce of the United States, an exposition in this country, such as the Baltimore Exposition, should do much towards enabling our exporters and importers to keep in touch with foreign markets and should enable the people of the country to appreciate the importance of foreign trade in relation to themselves as well as its increasing diversity. The exposition will provide a common ground where American firms can establish

personal connections with foreign purchasers and where foreigners can get in touch with the American producers and consumers.

Plans for this year's exposition are already well under way. Many of the largest exhibitors in the 1921 show have signified their intention of being represented again this year and a large number of new exhibitors are planning to be represented. These include all types of business in any way connected with foreign trade, railroads, steamship lines, manufacturers, exporters, importers, shipbuilders, banks, etc., etc. Through the coöperation of the foreign consuls resident in Baltimore, in conjunction with the diplomatic representatives of their respective countries accredited to the United States, the Export and Import Board of Trade of Baltimore is endeavoring to induce a number of the foreign governments as well as private concerns in these countries to send representative exhibits to this Exposition.

The United States Government, through its various departments, has from the first shown its active interest and coöperation in the Baltimore Exposition. In the 1921 Exposition the Shipping Board, the Navy Department, the Coast Guard, and the Department of Agriculture occupied a considerable amount of floor space and displayed elaborate exhibits. The Department of Commerce, appreciating the value of such an adventure to our foreign trade coöperated to the extent of detailing two of our Commercial Attachés, Mr. Anderson, of Copenhagen and Mr. Jackson of Mexico City, to be constantly in attendance at last year's show during the entire week. The Baltimore office of the Bureau of Foreign and Domestic Commerce occupied a booth where information relative to all phases of our foreign trade was available. Plans for the coming exposition on the part of the Government are even more extensive. The United States Department of Commerce, the Chamber of Commerce of the United States and the officials of the Pan-American Union have intimated their intention to exert their efforts to make this enterprise a suc-

cess. The local trade bodies and commercial organizations of the State of Maryland and of the City of Baltimore are also coöperating to this end.

Baltimore is the logical port in the United States for holding such an Export and Import Exposition, nationwide and inter-national in its scope. The geographical position of Baltimore, closer than the other Atlantic ports to the great industrial and farming regions of the Middle West and to the coal fields and steel districts, nearer to the Panama Canal and the West Indies than either New York or Philadelphia and in a favorable situation as regards South American commerce: warrants the city in claiming to be the natural gateway for the exports and imports of the Middle West, the greatest manufacturing section of the United States.

With recurring vexation congestion and delays experienced at other Atlantic ports, American exporters and importers in the interior are beginning to appreciate the advantages to be secured by routing their shipments through the port of Baltimore. That this is being realized to an ever greater extent is demonstrated by the fact that before the war Baltimore had but twelve overseas steamship lines serving fifteen foreign ports, while at present there are 52 regular steamship liner services controlled by 43 companies which operate steamers to over 100 foreign ports.

For the fiscal years ending June 30, 1921, the exports and imports of Baltimore totalled 8,866,212 long tons, placing this port in third position among all the ports of the country, and only about 200,000 tons behind New Orleans, the second port. The Federal Government and the City of Baltimore have already expended over \$21,000,000 for harbor development, which does not include that accomplished by railroads and other private interests in port improvement; and the city is now in a position to spend \$50,000,000 additional. Extensive piers, warehouses and other port equipment are now being planned, the construction of which will undoubtedly rank Baltimore second only to New York among American seaports.

# AMERICAN INDUSTRIES

D. M. EDWARDS, EDITOR AND MANAGER

REGISTERED IN U. S. PATENT OFFICE  
TWENTY-FIRST YEAR OF PUBLICATION

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## THE MANUFACTURERS' MAGAZINE

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## MAKE AN ATTENDANCE RECORD

ON May 8, 9, and 10, the National Association of Manufacturers will be in annual convention at the Waldorf-Astoria Hotel, New York City.

Efforts will be made to induce every possible member of the Association, who can be in the vicinity of New York City at that time, to come to the convention and bring one or two friends with him. We wish to make this the largest and most enthusiastically attended meeting ever held by the Association, and wish the undivided and active interest of each and every member of the Association, whether he lives in the North, East, South or West. We wish a representative gathering from every section of the country, representative not only of industry but of the broad spirit that has put the industrial leaders in the forefront of the builders of the nation.

John E. Edgerton, the president of the Association, is sending his personal appeal to each and every member of the Association and he is looking to rolling up the greatest number of delegates that has ever gathered.

Already numerous nationally-known men are scheduled for the program and, within the next few weeks, the

details of the program will go out to all members, offering not only an array of interesting speeches, but unusual features and interesting convention innovations that should bring every possible manufacturer to New York City, May 8, 9, and 10.

Enroll early; plan to come to the convention and then set yourself determinedly to carry out your plan.

## SUBSIDY, A HATED WORD

ON another page we present an interesting and illuminating article on the American merchant marine by Edward C. Plummer, Commissioner, United States Shipping Board. Commissioner Plummer makes it quite apparent that if the United States is to take and hold her rightful place in the merchant marine fleets of the world, she must encourage and support her own merchant marine in some manner, whether it be in actual cash appropriations, preferentials, bounties or what.

Every other nation on the face of the globe, that essays to do a real foreign trade and shipping business, gives aid of one kind or another. The United States pays millions of dollars to ships of other countries for carrying our mails; it makes it necessary for our ship owners to pay higher wages and to carry larger crews; it compels our ship operators to charge higher rates for freight. These considerations alone are enough to discourage our own marine merchants and will continue to discourage them unless corrected; and no time has ever been as appropriate as the present for such corrections.

Then the United States will again be as proud of her vessels on the seven seas as in the days of the most graceful vessel that ever surged across the water—the Yankee clipper ship.

## THE SMOULDERING BONUS

AT the present time the soldier bonus for everyone who wore a uniform or who served in any branch of the Army or Navy during the war, is smouldering in the United States Senate, having been passed to the higher body by the House which absolutely caved in under the pressure of the propagandists.

Bearing the marks of the tumult

which characterized its passage in the House under gag rule processes which prevented amendments, it was sent forward. Denounced by Secretary Mellon and other Treasury officials as the worst plan yet proposed for providing a bonus, the Senate appeared to regard the bill as more or less of a joke.

The Senate, in whole and individually, will now be made the object of attack by the bonus proponents. But it is to be hoped that that august body will be able to withstand the drive, if it must defend itself with the single excuse that reckless and wild payment at this time is dangerous and not at all justified. No one seems to have any definite idea what the bonus will cost except that it will run into five or six billions. As estimates are always way off in governmental payments, it is fair to predict that the bonus will cost the country eight billions before it is all paid off.

The manufacturers of the country are almost solidly in favor of any expenditure for the disabled and wounded soldiers or those who have suffered unusual business reverses because of their participation in the war; but they are just as solidly opposed to a sweeping payment to anyone and everyone who worked in army or navy service. And they are supported in this attitude by the business men of the country and by thousands and thousands of ex-service men who put their service to their country beyond any price.

## BACK TO THE FARM UNNECESSARY

FIGURES given out by the Census Bureau show that the number of persons engaged in agriculture had fallen from 12,690,000 in 1910 to 10,951,000 two years ago. Some people say figures do not lie; but many pessimistic persons are reading these figures to mean that two million persons have ceased to grow potatoes, onions, corn and tomatoes, and for that reason, the people in the great cities are likely to go without food and starve to death. They also point with gloom to the figures of manufacturing establishments which show that the persons at work there increased from 10,658,000 in 1910 to 12,812,000 in 1920.

But these same gloomy persons fail to take into consideration the tremen-

dous development of farming machinery; tremendous planting, sowing and reaping machines, that, with a single tractor pulling them and a handful of men, will do ten times as much work as the great numbers of horses and human machines that used to sow and reap.

Let us look at the gloomy picture. In 1910 the area of the country planted in principal crops was 337,000,000 acres and in 1920 it was 351,000,000 acres. The production in the three principal grain crops, wheat, corn and oats, in 1910 was 3,436,000,000 bushels. In 1920 it was 5,545,000,000 bushels. The value of all the principal crops in 1910 was \$4,794,000,000 and in 1920 it was \$9,148,000,000. The pessimists also point to the figures of 1919 when the crops were worth \$14,87,000,000 and the year 1921 when they were only \$5,675,000,000. But then 1919 was a war price year and the cost in no way reflected the real situation.

There seems to be little ground for any fear that the country is to starve to death.

#### **\$250,000,000 FOR GOOD ROADS**

**T**HE Townsend Good Roads Bill is to be brought up in the House within the near future. The measure provides for a total expenditure by the Federal Government of approximately \$250,000,000.

Every effort to put our national road system in perfect shape is naturally applauded by leaders of industry, because it means more transportation for direct shipment of goods. It means the building up of factory centers and incidentally the building up of communities.

#### **"THE DRIVER WAS NOT ARRESTED"**

**"O**NE killed; 10 hurt," "Four killed; forty hurt," etc., etc., runs the daily headline in the newspaper recording the news. Heretofore we used to look for this on Monday morning, because of the recklessness and carelessness of drivers on Sunday, but now it has become a daily record.

Almost every day now you may read of an automobile accident, in which one or more persons were killed. Frequently, almost regularly, we read at the bottom of the article, "the driver

was not arrested, as witnesses said he was not to blame."

We wonder how many fatal accidents there would be if every driver of an automobile which came into collision with another was arrested, and taken to court to give his explanation there. Thousands upon thousands of persons drive thousands and thousands of miles without the slightest accident; without running over anyone or without running into anyone. A reasonably careful driver need have no accident. In ninety-nine cases out of a hundred, if we had the absolute facts, we believe we would find that the accident was avoidable. Any man who drives a car and does not know the condition of his brakes, should not be allowed to sit behind a wheel. Any man who drives a car without regard to the pedestrian at all times, whether the pedestrian is wrong or stupid or pig-headed, should not be given a license. Stupidity or pig-headedness on the part of the pedestrian is no excuse for murder on the part of the driver.

#### **USING UP THE PETROLEUM**

**C**ONSUMPTION of petroleum in this country has been going ahead of production at the rate of more than 50,000,000 barrels a year. In 1921 the total production reported by the Geological Survey was 469,600,000 barrels and the consumption was 525,400,000 barrels. In 1920 the production was 443,000,000 barrels and the consumption 530,000,000 barrels. The reserve stock of oil above the ground dropped from 179,000,000 barrels in

1916 to 123,000,000 barrels at the end of 1920.

Walter C. Teagle, of the Standard Oil Company warned the nation three months ago that the way to reach price stability in the petroleum industry was to build up a reserve larger than the country had ever known before. He declared a full year's supply would be necessary if the prices were to be kept from oscillating as they have done in the last two years with Pennsylvania crude jumping to \$6 a barrel within a few months and then dropping back to \$3.25. Recent figures on oil production indicate that the goal which Mr. Teagle proposed, a years' supply held in tanks, may be reached. The January production was 43,300,000 barrels, a gain of 5,000,000 barrels over January, 1921. The January consumption was 45,900,000 barrels, a decline of 2,400,000 barrels compared with January, 1921. Stocks above ground were 195,000,000 barrels, equal to 132 days' supply, the largest reserve reported since 1915, when the reserve stocks were 194,000,000 barrels, which at the rate of consumption then prevailing was equal to 224 days' supply. The oil now in storage is sufficient to last a little more than three months. Prices are high enough to stimulate new production and to enable the oil companies to finance additions to the reserve stocks. For the first time in several years the accumulation of a full year's supply is within the range of possibility. It will be a good thing for commerce and industry, as well as for the oil business, if efforts are not relaxed until the goal is reached.

## **Enroll Early For The Convention!**

Plan to come to New York, May 8, 9 and 10, for the Annual Convention of the National Association of Manufacturers and then

#### **ARRANGE TO CARRY OUT YOUR PLAN.**

Unusual innovations are being planned that will make each of the three days interesting and full of valuable constructive suggestions.

# Chemists Ask Patent Law Changes

**O**BJECTION to the proposed revival of the patent convention of 1909 with Germany was contained in statements just issued by Dr. Charles H. Herty, president of the Synthetic Organic Chemical Manufacturers' Association, and John I. Tierney, secretary of the Manufacturing Chemists' Association.

Mr. Tierney made public a letter which Henry Howard, president of the American Institute of Chemical Engineers, had sent to Under-Secretary of State Henry F. Fletcher. The letter transmitted resolutions adopted by the American Institute of Chemical Engineers as follows:

"It is a well known fact that for many years prior to the war our patent laws were used to stifle certain industries, such as the dye industry, in the United States, and at the same time foster the development of those same industries in foreign countries.

"Our laws make this possible by the lack of any working clause. This permits an inventor to obtain the protection of American patents and then do all of the manufacturing under those patents in a foreign country. We maintain that this is unfair to the American people and against public policy.

"We believe, however, that the greatest care should be taken not to change our patent law in any way that would discourage the production of inventions

or inventors from patenting their inventions, and believe that the best results can be obtained by the passage of a law along the lines of the British compulsory working act of 1907, which provides in substance that if, after a certain number of years after the granting of a patent at least 60 per cent of the patented article or articles made under the patented process which are sold in Great Britain are not manufactured in Great Britain, then any British manufacturer may demand a license to operate under the patents.

"Therefore, be it resolved, that the American Institute of Chemical Engineers here assembled in convention urges upon Congress the importance of incorporating in our patent law a working clause along the general lines of the British Compulsory Working Act of 1907."

Senator Ladd recently introduced a bill which would require the working of patents in order to hold them. It also reduced the life of a patent from seventeen to five years. Similar resolutions have been introduced in the past, but the opposition was always too great for passage. However, such a change in our patent laws has always had its proponents, and it remains to be seen whether or not the situation brought on by the war has changed the Congressional sentiment sufficiently to enable the bill to go through.

The provisions of the 1909 conven-

tion are, in effect, that the working of a patent in either Germany or the United States constitutes sufficient compliance with working regulations of both countries.

Representations made to the State Department and to President Harding have resulted in delaying revival of the treaty until such time as the matter has been considered by Congress and that body decides what legislation is necessary. Speaking of this treaty, Mr. Howard in his memorandum said:

"It is a known fact that this treaty was conceived and engineered by certain chemical interests of Germany and these same interests in the United States because of their fear that the United States would pass a law providing for some kind of a working clause in its patent system."

The German chemical interests realized that if they were obligated to work their patents in the United States it would be the beginning of the end of their absolute monopoly in the United States of the synthetic organic chemical industry.

"We maintain that it is improper to allow the monopoly granted by our own patent law to be used either by an American or by an alien to foster the development of a new industry in a foreign country and at the same time to make use of this patent monopoly to prevent such new industry from being developed in the United States."

## Millions In Films Stolen

**O**NE of the most baffling problems with which the motion picture manufacturers of this country have to deal—a problem, by the way, which necessarily will demand the attention of Will H. Hays when he settles down to work in his new job as head of the industry—is that of the enormous losses to producers through thefts of films.

Figures compiled by the National Association of the Motion Picture Industry, estimate the annual losses due to film thefts to be a little less than \$1,000,000. For more than a year the national association, through a special committee, has investigated hundreds of reported thefts, has frustrated plots of international scope and has brought about the arrest and indictment of a score of persons in the larger cities of the United States.

Despite the work of this committee and its special agents, the industry still

is threatened with incalculable losses, according to the producers and the film exchange heads, who contend that the present penal laws are inadequate. Representative Joseph Walsh of Massachusetts, acting on a suggestion of H. Minot Pitman, chairman of the national association's film theft committee, has drawn a national film theft bill that seeks to protect the industry from piracy, both in the United States and abroad.

The measure provides heavy penalties for persons convicted of trafficking in any stolen or duplicated films, either in interstate or foreign commerce, and also holds responsible the buyer or receiver of such films, providing a fine of \$5,000 or imprisonment for five years, or both.

"The exhibition of stolen or duplicated films in foreign countries hurts the general film trade here," said Mr. Pitman, "because foreigners do not

generally understand the situation and feel that the film industry is negligent in failing sometimes to protect legitimate buyers against prints that have been stolen, duplicated and sold for exhibition abroad.

"While the State laws provide that larceny is a criminal offense they have been found inadequate in the case of pirating films owing to the fact that the degree of larceny is determined by the value of the article stolen. The criminal courts take into consideration only the reproduction cost of a stolen film, but the actual loss to a company is many times greater than its replacement cost.

"Films usually are stolen at the instigation of receivers of stolen property who deal in stolen films and the export thereof. These persons really are more guilty than the thieves themselves, who often are mere boys, and it frequently happens that the actual thief receives from \$10 to \$50 for a stolen film, whereas the receiver who

(Continued on page 39.)



# Zinc Coming Back Into Its Own

*Metal used extensively for generations in Europe, but never fully appreciated in America, is now finding wide and variable adaptation for building and artistic purposes all over this country*

*Written especially for AMERICAN INDUSTRIES*

By CHARLES H. WINTER

**W**ITHIN the last year a material, heretofore little used for the purpose in America, but employed extensively for generations in European countries has found its way into the construction of many homes. It is rolled zinc and is now being employed in several localities, particularly throughout the East, for the manufacture of leaders, gutters, flashings, valleys, ridge rolls, shingles and architectural trim, and in quite a few instances for roofing.

The adaptation of this metal for building purposes has inspired interesting discussion as to the "why" of zinc. Quite natural are questions asked by certain architects, such as,

"Has zinc ever been used for spouting work before," and "If zinc is of such value, why has it not been used more in past years?"

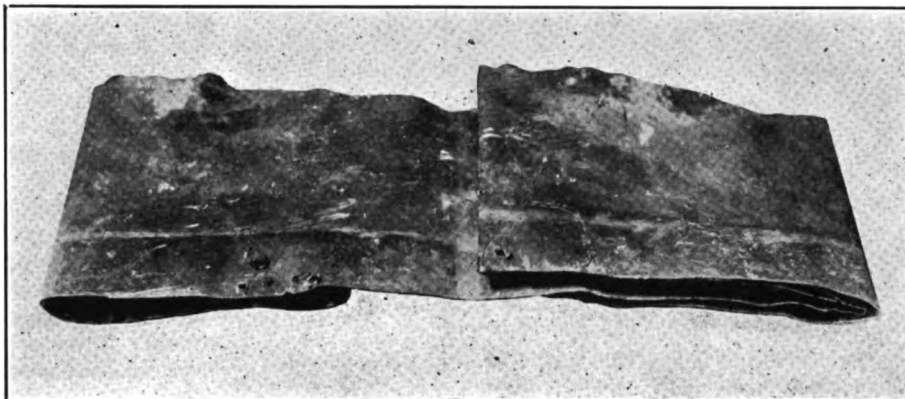
Replies to both queries are not difficult, and present most significant facts. To be sure, zinc spouting has been used before; certain countries of Europe, for instance, have employed zinc

on buildings for several generations, chiefly because of its durability and economy. This is particularly true of France, England, Germany and Belgium where this metal is universally preferred for leader pipes, eaves-troughs and fittings.

Zinc is the metal most generally used for roofing in Europe, to so great a degree, in fact, that

the metal artisans of those countries, it is said, would hardly know how to operate with any other material. In this connection the recent remark of one foreign workman is significant. He said: "Zinc covers like a blanket the country I came from."

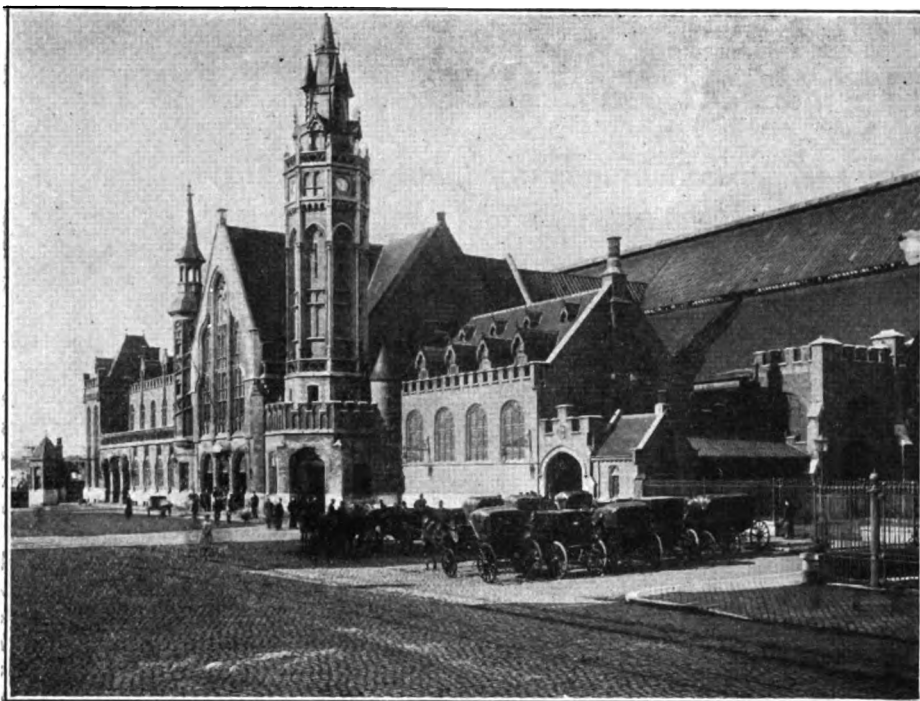
Many are the striking examples of well-known public and semi-public edi-



Piece of zinc roofing after 76 years' use



The famous Casino at Ostend, Belgium, entirely roofed with zinc



The zinc-roofed railway station at Bruges, Belgium

fices in Europe, buildings recognized as embodying all the finest details of architecture, on which are zinc roofs. The Church of St. Bartholomy, Liege; the universities of Bonn and Berlin; the famous Casino, Ostend; Gare du Nord, Brussels; Zoölogical Gardens, Antwerp; Haymarket Theater, London; Hotel de Ville, Paris; German Imperial Palace; Canterbury Cathedral; and others could be mentioned which have prepossessing and lasting roofs made of zinc.

Europe's thrift bespeaks volumes for the economy of zinc in building activities, and forms the basis of appeal made to America in behalf of this century-tried roofing and spouting metal.

The quality of zinc used in Europe for a century was not comparable with that which is used in the United States to-day. It was more brittle, not so ductile and required the making by hand of roofing accessories for which it was used. Necessarily, the hand-made article was far more expensive in first cost than that automatically turned out by machinery and which requires a particularly pure and ductile quality of material. Regardless of the more costly manufacturing methods, however, the Europeans recognized the merits of zinc and went ahead, year after year, using zinc spouting and roofing made by the hands of their skilled workmen.

In America zinc was experimented with in a limited way more than a dozen years ago, for manufacture into eaves-troughs and conductor pipes. The movement was not entirely successful, because the grades of rolled

zinc then available were not suitable for the purpose. Had the improved quality of rolled zinc now on the market been obtainable then, it is certain the impetus given this metal for building use those dozen or so years ago would have assured a steadily increasing demand for zinc roofing commodities that, to-day, the sponsors for zinc would be experiencing a rapidly increasing demand from architects, builders and home-owners, and that zinc consumption for roofing use would be far greater than it is.

As to the quality of zinc formerly used in this country, workmen found it difficult to form and bend. It was too stiff and too brittle. When the zinc-smiths were making spouting by

hand the process involved high labor costs, another factor that militated against successful accomplishment. The American workman was not as adept an artisan, when working with zinc, as was his European brother, because, as one zinc-smith aptly remarked, "We did not know as much as they did about the best methods of handling the metal."

Coming to the present phase of the situation, there is now a grade of rolled zinc which, in itself, answers the query, "If zinc is so good, why has it not been used before?" This particular grade has been rolled commercially for about three years, having been a development of war emergency. It can be formed, bent, crimped, and lock-seamed with facility, characteristics most needed for the manufacture of spouting. This grade is exactly suitable for the automatic manufacture of leader pipes and eaves-troughs by machinery, and thus reduces the cost of the finished commodities. In other words, the present standard of zinc quality solves divers problems of roofers, architects and consumers, for it places an unusually durable roofing material at their disposal at a comparatively low cost.

"What are the principal characteristics of zinc spouting?"

"What does it do?"

"Why should I buy it or specify it?"

These are fair questions. Zinc cannot rust. Therefore, it cannot deteriorate from this cause. Long life is the natural result. Another point: Upon aging, zinc oxidizes, producing a coating which automatically protects the metal against deterioration. Durability, then, is an important characteristic of zinc spouting.

Aged zinc is silvery gray in color, a tint which is most attractive. One



House on Staten Island with zinc roof 76 years old

of New York's well-known architects recently declared that this color blends admirably with most finishes used in present-day architectural practice. This color is acknowledged to present vast decorative possibilities.

No paint is required for protective purposes. Paint may be used, however, to satisfy the tastes of those who desire decorative effects other than those obtained by zinc in its natural hue.

Once properly erected long years of service can be expected from leader pipes and other roofing contrivances made from zinc and because of this long-wear feature zinc spouting is de-

clared to "last a lifetime." No expensive periodic replacements, no need for additional painting costs to furnish protection, no frequent attention to repair bills! These factors justify the most favorable consideration of this metal.

What naturally will also appeal to those professional men whose interests are concentrated in building enterprises and also to home-owners, is the further fact that zinc does not stain stucco or other white surfaces with which it comes in contact as do some other materials. This is so because the salts of zinc are white. While this non-staining feature perhaps is not com-

parable in importance with zinc's durability, nevertheless, it has a bearing on artistic appearance, especially for homes, and consequently must become an increasing influence when materials are to be selected in future years.

Permanent service, then, is the expectation from zinc leaders and gutters, and the zinc referred to is "solid zinc through and through," not merely metal having a zinc coating.

This material will stand the test of time and weather, and since it entails no cost after the first cost it thus helps to conserve the value of real estate to which it is affixed owing to the permanent character of the service it gives.

# Income Tax Shrinks \$1,000,000,000

*Various factors combine to cut down the returns for 1921 which already give indication of a drop of nearly one-third from the figures of the year before—unemployment one of the causes given*

**I**NCOME tax returns for New York City indicated that the Government's full receipts all over the country for the year would fall short of last year's by at least \$1,000,000,000. Taxpayers file their returns on a basis of the calendar year, and in this year's four quarterly payments they have made over the tithes on their 1921 incomes.

The total decrease from the year before is one of 33⅓ per cent according to estimates of the internal revenue collectors, the payments made in 1921 totaling \$3,000,000,000, whereas the outlook for the coming twelve months does not promise more than \$2,000,000,000, and not more than \$1,600,000,000 may be actually realized.

The collections in New York City from March 1 to the closing night fell \$31,323,912.67 below the figures for the same period last year.

The decline in collections exceeded the expectations of the internal revenue officials in the city. They had expected that the collections of the final day alone would reach \$50,000,000. Only \$22,394,864.46 was collected, making a total since March 1 of only \$42,153,563.05. The collections for the same period last year totaled \$73,477,475.72.

In spite of the slump between 20 and 25 per cent more returns were received up to midnight than were received last year. Whereas only 616,000 persons and corporations made returns last year, approximately 750,000 made returns this year.

When the big corporations began making their payments it was seen that

the collections would fall far below all previous estimates.

Internal Revenue Collector Bowers and his officials estimated that approximately \$18,000,000 additional should have been received and tabulated by the end of March. Based on this estimate the total collection up to the end of March would be \$60,153,563.05. The collections last year up to the end of March, that is, fifteen days after the time limit for payment was up, reached \$118,000,000.

Thirty mail sacks of registered letters containing payments and returns were received the last morning. Corporations and also individuals are allowed certain extensions of time in which to pay their taxes. The estimate of \$18,000,000 is based upon this fact.

The cash collections the last day amounted to \$63,000. The balance was paid by checks and money orders. The largest income tax paid by an individual was \$1,990,750.58, and the largest by a corporation was \$2,500,100. The revenue officials would not reveal the name of either the individual or corporation.

The smallest income tax was 4 cents. This heavily taxed individual chose to pay this on the instalment plan and sent a two-cent stamp to the Collector's office. Since stamps happen to be made by the Government itself they are not accepted in payment. The two cent stamp was returned and the taxpayer was asked to make payment in keeping with the accepted form. Revenue officials are waiting with curiosity to see whether he pays the two

cents with a personal check or a money order.

The year in which the Government touched the highest revenue from the income and excess profits tax was 1920, when the New York district alone paid \$1,109,802,000. The next year the same district paid \$814,737,000, and this year probably will not pay in more than \$600,000,000.

These figures may afford some comfort to those who have groaned under the weight of the tax burden, but they mean that the Government not only will have to practice the strictest economy, but must discover some elusive expedients.

Several factors combined to cause the great drop in the nation's income. The elimination of the excess profits tax will reduce the total still further next year, but this year it is still being paid because based on the income of 1921. Chief among the factors which explain the falling off in national earnings are the reduced earnings of corporations and the unemployment of some 5,000,000 persons. The entire country earned much less than in 1920.

The exact figures revealing the decrease will not be available until after the Treasury Department has received all the reports on the collections. It is believed, however, that the shrinkage in business and profits during the calendar year 1921 will be shown in the first quarterly payments by receipts of \$460,000,000, as compared with \$727,000,000 received from the first instalment on the 1920 taxes.

The figures showing unemployment at the beginning of 1921 were made by

Secretary of Labor Davis and were submitted to Congress. The earnings of the 5,000,000 persons out of work at the beginning of 1921 would have been in prosperous times something like \$5,000,000,000 a year. Probably not more than half of those out of work at the beginning of 1921 obtained employment during that year, and they were obliged to accept employment at greatly reduced wages.

Some of the large employers of labor earned nothing at all. In many cases dividends were paid out of surpluses. Exports of \$8,000,000,000 worth of

goods in 1920 were cut in half. With the failing of foreign markets many factories were forced to shut down. The Department of Agriculture is authority for the statement that 6,000,000 farmers were unable to dispose of their crops of cotton, wheat and other staples except at a loss. There is a population of 40,000,000 in rural communities who are dependent upon the farmers and fail to earn when the farmers go behind, and this class is an important one among the payers of income taxes.

Another important factor in sending down the tax returns is the increased

deductions from gross income, the head of a family being allowed a deduction of \$2,500 instead of \$2,000 and an additional \$400 instead of \$200 for each child or other dependent. The number of persons paying taxes on incomes of less than \$3,000 has been 3,400,000 in round numbers, or nearly seventy per cent of all Federal income taxpayers, a large proportion of whom will be relieved from the obligation by the new provisions. It is believed that the number of millionaire income taxpayers may be less than fifty. The highest number any year was one hundred.

## Radio Sales Run Into Millions

*With the fad for the use of the mysterious plaything spreading all over the country the equipment manufacturers are swamped with orders that they cannot promise to fill for many months to come*

**H**OW long will the present tremendous demand for radio equipment last? This question is being discussed by radio dealers all over the United States as a result of the unprecedented boom in sales of receiving apparatus that is now sweeping not only the entire United States, but the entire world, according to information received from various sources.

There is no doubt that there are millions of dollars' worth of orders now on the books of the New York dealers which can never be filled for the reason that it is impossible for the few factories controlling the principal patent rights to manufacture in sufficient quantities. The various essential parts required to assemble complete equipment are protected by patents owned by a few companies. So ironclad are these patents that they positively prohibit the importation of German or other goods which would ordinarily be sold in this market.

In a certain warehouse in New York city, it is said, there are 4,000 German sets which have been tied up indefinitely by a court order secured by the Westinghouse Company, which claims a violation of basic patents held by them. It is not likely that these German instruments will ever be released for sale on this market.

There are dozens of small stores recently opened in New York city, and in various other cities throughout the United States, which will undoubtedly be compelled to go out of business because they cannot secure supplies.

One small dealer who in the last four years has been satisfied with doing an ordinary business in electrical supplies, has orders on his books

for more than \$1,000,000 worth of supplies. Naturally it is evident that a great many of these orders are duplicates of other orders on the books of many dealers, for the reason that purchasing agents are now swarming to New York, visiting one dealer after another, leaving their orders with many dealers. It is one phase of the business which is puzzling the manufacturers. They do not know whether this boom will last after the big factories of the Westinghouse, General Electric, Western Electric and others are speeded up to the peak of production. For this reason some of the executives of the large manufacturing plants have decided to proceed slowly until this new business, which has virtually grown over night into an industry running into millions of dollars, has assumed such tangible form that it will be possible to determine whether the demand for household receiving instruments is just a fad, or will continue on a permanent basis governed by constant demand, such as is now prevalent in the phonograph industry.

What the future has in store for us in the way of radio secrecy is an absorbing speculation, and we all may some day have our own secret "air wave line," but only the future will tell. Meanwhile, the wire telephone people go right ahead making the regular telephones that have become a part of your daily life. The Western Electric Co., Inc., is deeply interested in radio, but the new development in its business has in no way affected or slackened its activities in the present day standard telephone.

"Radio will not replace the wire telephone in this generation," F. A.

Ketcham, General Sales Manager of the Western Electric Company, said. "Business communication will be the same twenty years from now with some improvements of course. The wire telegraph will also be here with us but both of them will be brought to a higher state of efficiency. With the wire telephone you have your centrals and thousands upon thousands of connections. In the radio millions connect with a broadcasting station by means of head sets and listen in. There is no privacy now, and to properly conduct business one must have direct and individual connection. Broadcasting is of exceptional value for educational purposes, but not for private business except by use of code.

"Governmental control of broadcasting is imperative. I think the control is essentially a matter for the Federal authorities. The general public does not want unsolicited advertising sent over the wireless and it would be deplorable to misuse the radio for such purposes. The public will not stand for it and the Government might as well restrict it now as later. Perhaps the Government is planning now to do so. Its radio service is remarkable and well organized. There are now over 200 land stations and information of various kinds is being sent out all the time. They are farther advanced in radio in our different governmental departments than the general public realizes. I have a radio set in my home to receive Sunday morning religious services, concerts and the like, but here in the office I continue to use the wire telephone and expect to do so for the rest of my life."



# Carrying Cables Over Mountains

*American Telephone and Telegraph Company uses Caterpillar tractors to transport five-thousand-pound loads of steel wire and accessories through the roadless and inaccessible Alleghenies*

*Written especially for AMERICAN INDUSTRIES*

**By E. M. LAGRON**  
**Holt Manufacturing Company**

**C**ONSTRUCTING a cable line from Harrisburg to Pittsburgh crossing the Allegheny Mountains, and working in an altitude of from two to three thousand feet above sea level, would seem like a tremendous undertaking, especially to those who have travelled the Pennsylvania Railway around Horse Shoe curve in the Alleghenies, and over the impressive range of mountains, including the Tuscarora and the Blue and the Seidling Hill.

However, this is the problem which confronted the construction department of the American Telephone & Telegraph Company, which in order to increase its facilities, is at present engaged in this very notable engineering project. The rough, mountainous country, over which the route was laid, incorporated many problems which demanded all of the resourcefulness and skill available in the engineering corps of that company.

The transportation of the material, which consisted of heavy wire reels, loading pots and poles, averaging from three to five thousand pounds each, presented an entirely new phase of material transportation. Ordinary hauling methods obviously were out of the question; motor trucks, which under ordinary conditions would have handled this, could not be expected to operate in the seemingly inaccessible, roadless and mountainous regions of the Alleghenies.

In their frantic endeavor to meet this transportation problem, and yet not incur prohibitive operating costs and overhead, the engineers of this company scrutinized every possible solu-

tion offered them. Cost sheets, operating experience, and performance records were all carefully analyzed and investigated by the transportation engineers. The problem finally simmered down to the point where the whole success of the entire cable construction

equivalent of eight opened-wire pole lines, is so constructed that it can transmit five hundred messages, including both telephone and telegraph with perfect privacy assured to each, and cross-talk in the cable entirely eliminated. The distance over which the cable

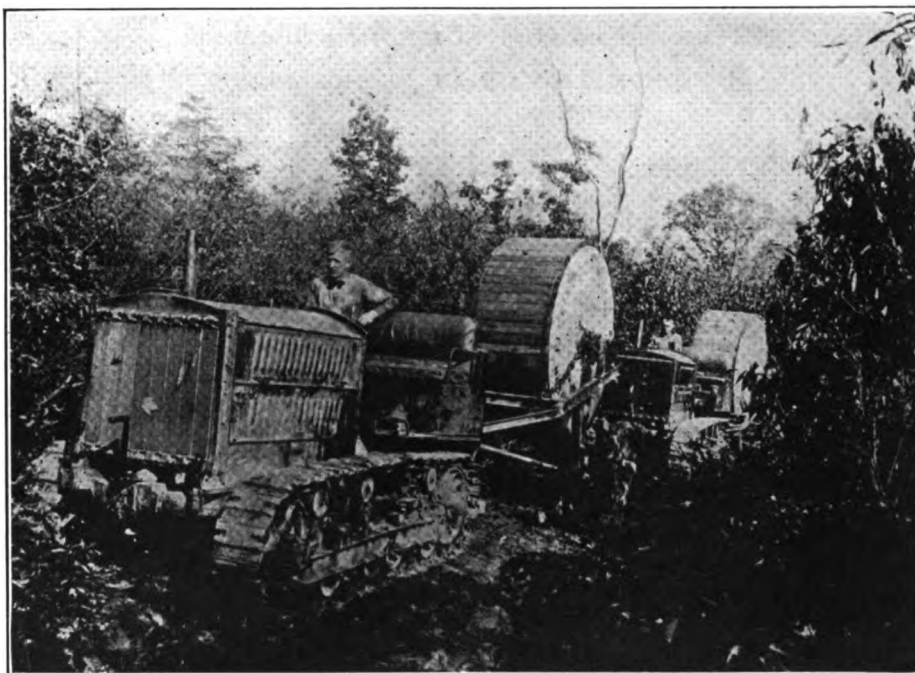
route is being constructed is 192 miles long, and necessitates the erection of 170 miles of new pole-line, 20 miles of underground conduit, in addition to 152 aerial loading fixtures.

This is believed to be the longest cable installation ever undertaken in this country, and without doubt is the most difficult. The natural barriers in this section present obstacles and disadvantages which would have tended to discourage most any other organization. The success, which has

already marked this construction and which is so evident, eliminates any further doubt from the minds of those skeptical of its advisability, and now reflects credit upon the resourcefulness and ingenuity of the engineers behind the project.

## IMPROVEMENT IN BUSINESS

Figures received up to March 20 by the Department of Commerce bear out the conclusion reached in earlier months to the effect that business is gradually working its way back toward normal. This movement is not always evenly distributed among the different industries, but, having regard to those fundamental industries which constitute the backbone of American business, there is a very marked improvement over the conditions recorded a few months ago.



Dragging thousands of pounds of cables through mountain woods

hinged upon the adoption of proper methods of handling this heavy, cumbersome material. Finally after complete investigation, track-laying tractors were adopted for this work. Two 5-ton "Caterpillars" are now used in these mountains, hauling the cable reels, loading pots, poles and cases up and down steep grades. The work is progressing according to schedule, and as on any other big construction job, a very vital factor is the consistency of both speed and economy. Without these two items labor and machinery would remain idle and valuable working time lost.

This project, when completed, will provide a continuous cable for the simultaneous transmission of telephone and telegraph messages between New York and Chicago and the intervening territory. The cable, which is the



# New England's Textile Strike

*Main issue involved in this dispute is getting the cost of production down to the point where the buying public will be influenced to consume retail stocks in quantities that will support industry*

**W.** J. WOLLMAN & CO., members of the New York Stock Exchange, have included in their current letter, a comprehensive review of the textile strike in New England which appears to touch the essence of the situation. This review says in part:

"Although the textile strike has been in progress in New England for something like nine weeks, the general public views the struggle as a controversy in which the issues are confined to the mill owners and the striking operatives. There could be no greater error. The principles involved concern the fundamentals of national production and are merely emphasized by the period of reconstruction through which the country's industry is passing. Labor leaders, including the head of the largest organized body have done much to becloud the situation. Well meaning sentimentalists who have given the phases of the conflict merely a superficial study have done much harm through the dissemination of their half-baked ideas and plausible misinformation.

"On the surface, the textile strike is a struggle between employer and employe, between capital and labor. The union leaders would like to have that view accepted. Public sympathy might be enlisted if the point could be driven home that the mill owners in order to obtain or maintain big profits have forced their operatives to strike by issuing orders calling for a longer working week and a lower wage scale.

"In the present dispute the question of profits is not involved. It will be conceded, of course, that profits are as essential for capital as wages are for labor. Each constitutes respectively the pay for the class of service rendered.

"The issue now being fought out, however, far transcends the limits of the percentage return on capital participation. The major points are pressing for settlement. One is the matter of getting production costs down to a level where the buyer will be satisfied to make purchases in volume. The other is a determination of the question as to whether cotton manufacturing in New England can be main-

tained as an economically sound industry in the face of competition by Southern mills.

"Taking up the first point, it must be admitted that the textile industry is in a state of deadlock. In the absolute sense there probably is no overproduction. In a relative sense, however, there is, for buyers are refusing to take the full output of the mills. It is not because they do not need the goods. It is not because they do not want the goods, but it is because they do not want to buy them. They feel either that they do not represent value or at least that they are not based on the rock bottom conditions of productive efficiency. It is not a question of the price of the raw material, for this is a factor that is non-competitive, and which all manufacturers must face the world over.

"In other words, the consumer is apathetic. The buying strike is not over. Buyers are holding off in the feeling that production costs are too high. This means a slack sale of goods; it means a slow movement of products, a lessened distribution of goods, a reduced scale of operations and an increasing ratio of overhead. Continued still further, it means stagnation, idleness and starvation, both for capital and labor.

"Mill owners have been aware of the psychology of the buyer. They have known that the consumer felt that there was nothing stable about selling prices because production costs based upon existing wage scales were not likely to be maintained. Moreover, Southern mills with their lower costs due to advantageous natural conditions and drastic wage cuts have been taking the markets away from their Northern competitors. This is because the existing moderate demand did not call for full production, and the orders have been going to the low priced seller, which means the low cost producer.

"The action of the mill owners, therefore, is more in the interest of the consuming public and their own employes than for the benefit of their own stockholders. They feel confident that if they can stabilize prices on low cost production basis the public will be satisfied to buy. This will

mean continuous employment for operatives and ultimately larger aggregate wage payments. The mill owners also feel that unless they can reduce their production costs the cheapest thing will be to shut down entirely, for the margin of profit is too small and the burden of overhead too great to permit part time operation.

"The question of competition also is a factor. As matters now stand the advantage retained by New England mills over their Southern competitors consists chiefly of two elements, one a superiority of construction in certain textile products, and the other is the good will established by certain well known brands of goods which gives them preference over competitive products which might be almost, if not quite, as good. Nevertheless, most of the Eastern goods are sold in direct competition in common markets with goods made in all parts of the country. There is no particular difference between yarns spun in the South and yarns spun in the North; between gray goods made in Fall River, Mass., and gray goods made in the factories of Lancaster, South Carolina.

"In the opinion of textile experts, the unit cost of production among New England mills, owing chiefly to the item of labor, has been placed considerably above the level of competition elsewhere, particularly in the South. The wage cost per pound of production in New England mills is higher than in the South, and as a result the unit cost per yard also is higher. In the last year or so Southern mills have cut wages from 35 to 45 per cent, probably an average of 40 per cent, while Eastern mills have made reductions of about 22½ per cent. In addition to this the working week in the South is from 54 to 60 hours, while in New England it is from 48 to 54 hours. Many of the Southern mills are operated by relatively cheap hyro-electric power, and it is not necessary to heat the plants, or at least it is not necessary to heat them all the time. In New England the item of fuel is an important factor, and the cost of heating the plants is considerable."

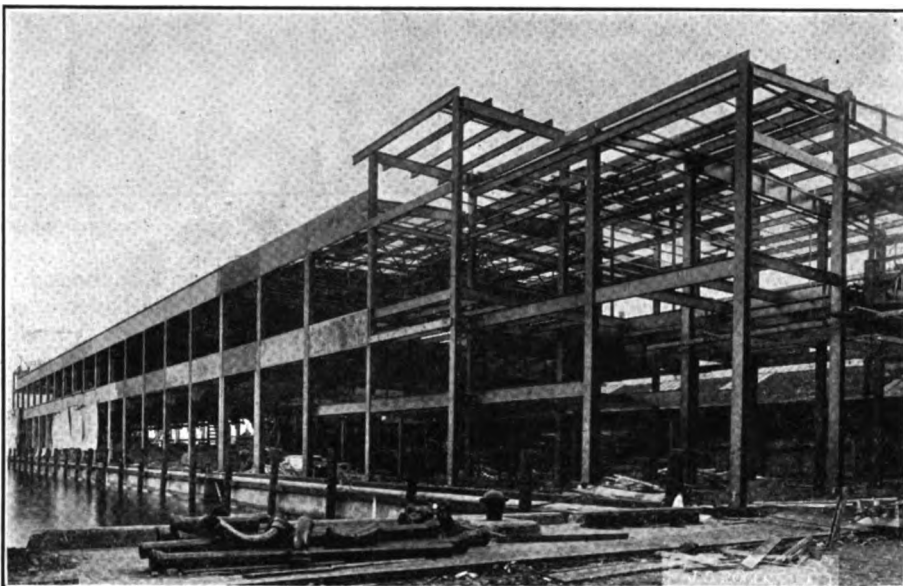
# Working In Spite Of A Blizzard

*Men constructing large Municipal Pier in Philadelphia are given ample protection against snow and wind and the structure itself is kept warm by being enclosed completely in heavy canvas*

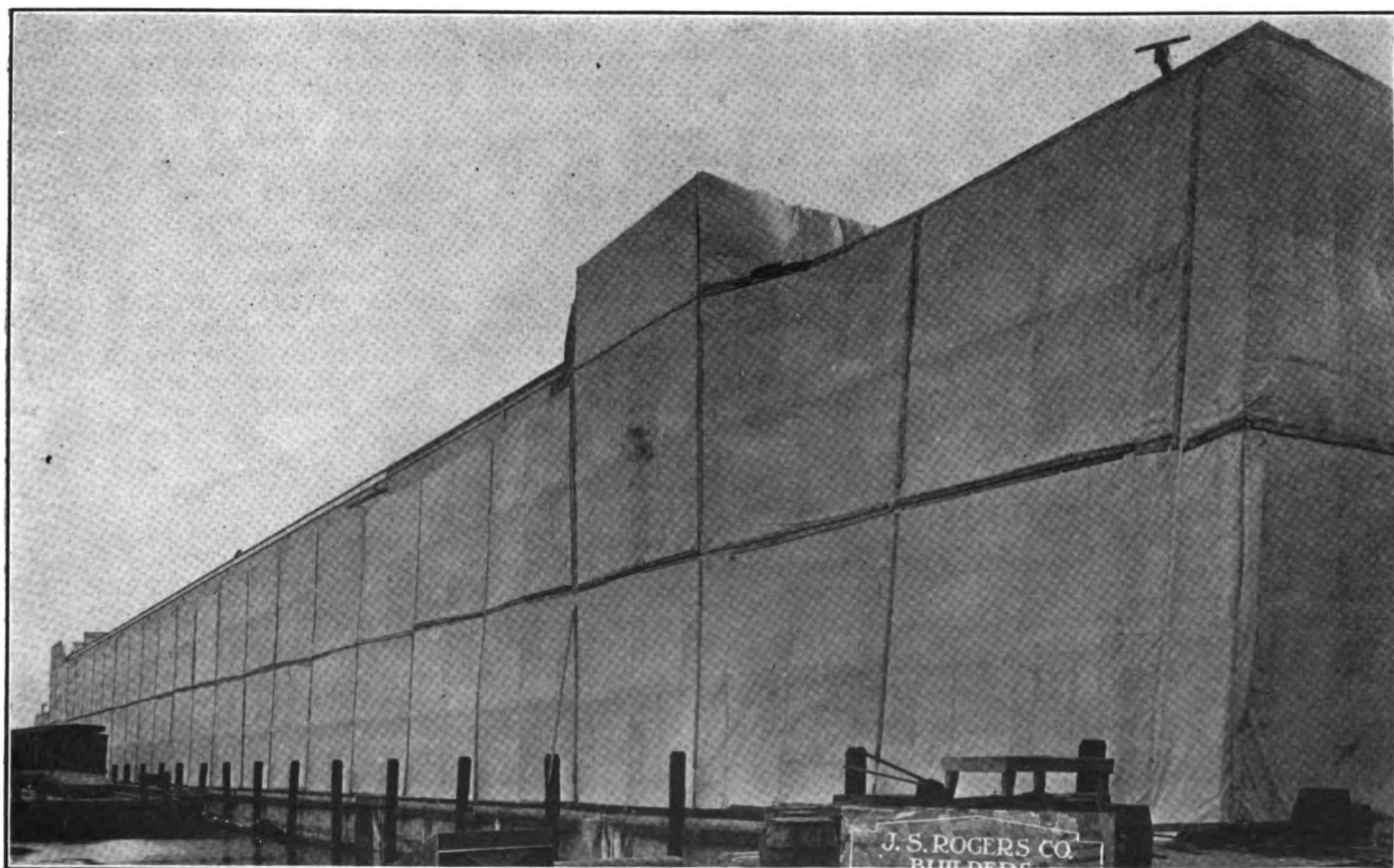
**I**N Wintertime the greatest single factor with which the contractor has to deal is weather. An interesting example of what can be done in spite of the weather, to give protection to the men and to insure work being carried on without interruption, was seen recently in the very effective and somewhat novel method used by the J. S. Rogers Company, of Philadelphia, in the construction of the new Municipal Pier No. 4 South, Chestnut Street, Philadelphia.

During the unusually heavy snow storm that buried Washington and piled the snow deep in Baltimore and Philadelphia on January 27, 28 and 29, work on the construction of the pier proceeded without let up.

The Pier is a two-story steel structure, 550 feet long by 75 feet wide, with concrete floor, slabs and brick walls. When the storm struck Philadelphia, it was necessary to keep the men at work on this structure, and



The large pier before enclosing

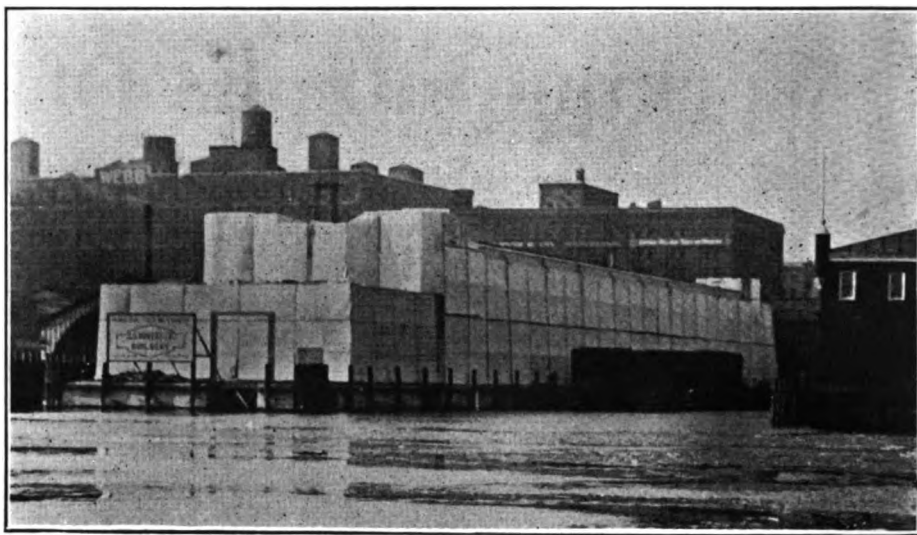


Fifty thousand square feet of heavy canvas made the structure comfortable

when they reported on Monday, January 29 the entire pier was completely enclosed in canvas heavy enough to keep out snow, wind, rain and cold. About 50,000 square feet of twenty-ounce canvas was used.

The canvas was put up on a framework of three by six inch timbers fastened to the guard log at the bottom and so attached at the top that the canvas could be turned over and fastened to the finished roof already in place. In the four-foot spaces between the guard log and the finished brick walls, radiators were placed, furnishing ample protection for the men while the brick work was in progress and, with the brick walls completed, forming an envelope of warm air around the entire building, giving absolute protection to all interior work.

The heating plant consisted of four sections each carrying about 1,250 square feet of radiation, with expansion traps from each radiator dripping to the ground. The heat from the condensate was absorbed by the pier fill;



The enclosed pier seen from the River

each section being directly connected to an 80 horse-power vertical boiler operating at 5 pounds pressure, centrally located, and so valved that any combination could be used to offset daily

wind and weather conditions. The plant consumed between one and two tons of coal per day and gave entire satisfaction, the work of the building progressing uninterruptedly.

## Good Revenue From Passport Fees

**P**ASSPORT and visa fees collected by the Department of State under the increased rates set by the act of June 4, 1920, have been sufficient to render these services self-supporting and show an additional profit of over \$2,000,000 for the first year, according to the National Bank of Commerce in New York. However, these fees and the equally high ones levied by other countries in retaliation against the United States have led many American business men and tourists to condemn the system as an intolerable expense.

"An American going abroad finds it necessary to provide himself with a passport which costs \$10," the bank says in the April number of its magazine, *Commerce Monthly*. "The charges for visas vary but for the majority of European countries they are \$10. In some cases, if his wife is included in the passport, a double fee must be paid and a proportionate increase for each child if any accompany him. If he is going to a country in the interior and must cross the borders of other nations he must have their visas, although he may not leave his railroad train throughout his journey's length.

"The passport and visa charges imposed by Congress under the act of June 4, 1920, are frankly intended as a source of Federal revenue. At the hearings before the House Committee

on Foreign Affairs preceding the passage of the present act the director of the Consular Service stated that the expenses of the State Department for passport business then approximated \$150,000 a year. In addition the expense of the entire diplomatic and consular service amounts to some \$8,000,000 yearly. In the committee's opinion, expressed by its chairman, Representative Stephen G. Porter, 'the man who goes abroad and gets all of this protection that we throw around him should contribute a fair share of the cost of maintaining that service just the same as the taxpayer in the city pays a small tax for the maintenance of the police force.

"The vise charges, on the other hand, were directed against aliens coming to this country. These are required to procure passports from their own governments and to have them vised by an American consular officer before being allowed to embark. The United States now charges \$9 for vising a foreign passport, plus an application fee of \$1.

"At the then existing rate of \$1, the passport system brought into the Federal Treasury approximately \$163,000 for the fiscal year ended June 30, 1920. Passport receipts of the Department of State for the fiscal year ended June 30, 1921, the first year under the new rates, amounted to \$1,421,000. This was an increase of

\$1,258,000. Similar results have followed the higher vise charge. For the fiscal year ended June 30, 1920, under the fee of \$1, the consular bureau of the State Department reported income from vise fees of about \$155,000 and other consular fees of \$2,637,000, a total of \$2,792,000. For the ensuing year under the increased rates the income from vise fees was estimated at \$5,500,000, with other fees amounting to \$3,417,000, giving a total of \$8,917,000.

"It follows that the passport and consular services of the State Department, whose combined yearly cost of \$8,150,000, the higher fees were calculated to relieve, produced in the first year of the new system a combined revenue of \$10,338,000, an increase in one year of \$7,383,000 and a profit above the estimated operating cost of \$2,188,000."

### BUILDING CONTRACTS LARGER

Building contracts awarded in the 27 northeastern states during February were valued at \$177,365,000, an increase of \$11,000,000 over January in spite of the shorter month. Residential building remained about the same for the two months but there was a noteworthy increase in business buildings, which totaled \$39,180,000 in February, compared with \$23,696,000 in January.

# Conference Of Export Managers

*Optimistic gathering of business builders overseas listens to stimulating speeches and illuminating addresses on foreign market problems and difficulties; how to solve and meet them*

*Written especially for AMERICAN INDUSTRIES*

By **WILLIAM M. BENNEY**

Manager, Foreign Trade Department, National Association of Manufacturers

**"THIS IS THE YEAR,"** was the slogan of the export managers who, to the number of several hundred, assembled at the annual meeting of the Export Managers' Club of New York, March 21st. Optimism, based on a sane realization of the condition of the commercial world, pervaded this gathering of, as one speaker happily said, "the heroic survivors of that numerous and gallant company that started out a few years ago to establish the United States in the markets of the world."

"This is the Year," was emphasized by the president of the Club, F. K. Rhines, of the General Fireproofing Company, in an eloquent and stimulating speech, in which he said:

"This is the year," because—first of all—this is the only year there is—just now!

"Some people, judging from the way they talked in 1921, thought there wouldn't be any 1922. Maybe some of us weren't very sure about it. Very likely quite a few of us were rather surprised, when we began to come to, back in the autumn of 1921, to find we were really in the same little old world that was spinning along so merrily just before the national fly-wheel burst and the bottom seemed to drop out of everything. But any doubts on that score were soon dispelled. We quickly realized that the sound in our ears was not celestial music—nor even the voice of a sweet young nurse asking whether we felt well enough to take a little orange juice—but, instead, our president, or the chairman of the Board, asking what had become of our foreign trade, and whether there was really any sense in keeping up an export department any longer—since Germany was going to get all the business in any case.

## Night-mares in Various Forms

"The night-mare didn't always take that particular form, of course; but most of us who were fighting up in the front-line trenches 'got ours' in one shape or another. A few of our comrades were mortally wounded; there were numerous cases of 'shell-shock';

and clouds of poison-gas seemed to have enveloped nearly the whole landscape.

"But that was last year—and we'd be getting nowhere ourselves, and only obstructing the other fellows' progress, if we spent any more time rubbing our bruises and licking our wounds. Those poison-gas clouds of pessimism have nearly disappeared and the road ahead is fairly clear now.

## Prepare Now for Next Year

"It isn't necessary to be able to see all the way to the end of the road. 1923 is next year—and we can't get any warmth out of next year's sunshine for a long time yet. Our only present responsibility for next year is to see that we don't spoil its possibilities this year.

"Consequently—'This is the year'—the year to forget the trials of the past and remember only its lessons; the year to cast off doubts and take on new courage; the year to make a fresh start; to think no more of the easy days when foreign orders came to us; to know that real salesmanship is needed now—and will win; the year to intensify all selling effort; to create new methods that will command success; to try to serve our client's interest as we serve our own; to cherish old relationships and foster new ones; to co-operate more loyally and whole-heartedly all along the line; the year to show what sort of stuff we're made of and to set for ourselves a higher standard of achievement; the year to think more clearly, and work harder, and shoot straighter, than ever before; the year to be filled with new hope for American export trade and new confidence in our firms, our goods and our own ability to succeed; the year to prove that the scoffers, the pessimists and the faint-hearted don't know what they're talking about when they say American export trade is a thing of the past; to prove, by actual demonstration, that we do know what we're talking about when we say it can and will be revived and carried to new records of success.

"But," I hear some doubter say,

'what justification is there for confidence in the possibilities of this year of 1922?'

"Candidly, I don't believe that unbridled optimism over the export harvest to be reaped this year is justified. But before there can be a harvest there must be plowing and sowing and careful cultivation. And many of our fields have been left in a sad state—full of shell-holes and with fences torn down and made into barbed-wire entanglements.

"There's work to be done, rebuilding the fences and patiently cultivating the ground, before we shall have earned the right to reap a new harvest. This is the year for a new beginning—the beginning of a real 'reconstruction' of our export trade.

"But again why—why tackle the job in real earnest now? What assurance is there that our export trade can be resuscitated? What assurance that effort expended now will be profitably compensated within a reasonable time?

"The answer is: it is now being done. Our export trade is already being revived. Export managers who are carefully studying their problems and are applying to their solution the best they have in brains, experience, patience, courage, perseverance and determination to succeed—are now succeeding to a degree which amply justifies confidence in the results of continued and accelerated effort. Exchange rates are improving; labor is becoming a little more sober and reasonable; banking and finance are gaining firmer ground; national budgets are less hopelessly out of balance; local conditions are on the mend nearly everywhere; and buyers long unheard from are coming back into the market. There are real orders to be had, this year and right now, by the man with the energy and courage to go after them.

## Many Problems to Solve

"There are, of course, many problems still to be solved—many clouds in the sky yet—but the light is breaking through. In nearly all countries there are at least the first faint glimmerings of a return to sanity: the subsidence

of wild, impracticable schemes for reforming the world over-night and bringing the millenium in a day; and a dawning realization of the fact that the havoc and disorganization wrought by the Great War can be repaired and readjusted, not through politics alone, but, in great measure, only through international good-will and clear-sighted, level-headed, practical coöperation.

"The mere holding of the recent conference at Washington was a great achievement, and will remain so, even if the narrow-sighted wilfulness of certain senators should succeed in partly nullifying its work.

#### Realize Need of Conference

"And even though the nations have not yet adjusted their political differences and harmonized their national policies to the point where they are ready to meet in a general Economic Conference, there is encouragement in the mere fact of its having come to be so generally realized that such a conference must eventually be held. Nor is it too much to hope that our country may yet learn to see clearly our essential relation to these great problems, and when at last we see our duty clearly, can anyone doubt that we shall do it manfully?

"It took many times four years to build up what was so ruthlessly torn down during those four years of war. It will take long to rebuild it; but a real beginning has been made, of that there can be no doubt, and that is the great thing. The world is going back to work.

"Next year, and in 1924, and the year after that, there will still be much to do; but there are things that can never be done, or never done right, unless they are done in 1922. It will be too late in 1923. 'This is the year.'

"Are we going to try to get our share of international trade? Are we going to work wisely and intelligently to get it, and to keep it and to build it up?" asked Olney V. Hough, in an instructive address on "Back to Normalcy."

Mr. Hough defined "normalcy" as "plain, simple, every day, hard-headed, shrewd business sense." Continuing he said:

"In a way, perhaps, the fantastic figures of our tremendous war time and post war export trade were a misfortune to many people. Most of us probably were hypnotized and are still misled by them. Nine out of every ten manufacturers of whom I ask the question acknowledge that their export trade of 1921 was as big as that trade of theirs in 1913, our record year in the export trade up to the war, a big year.

"1913's exports were not big enough? Of course not. But none

the less they were mighty big and a plenty good enough basis on which to build up again, on which to grow and increase. There is no getting away from this one fact: The export trade of the United States this year and this month is still a big trade. It is up to us and no one else to develop this trade to bigger proportions, to something bigger than we ever knew before the war. The trade is worth while to-day. Very few people indeed deny that export trade is a vital necessity to the country. We can, if we will, make that trade bigger, but we and we alone are the only people who can do it.

"Neither the export trade of the United States nor that of any other country has always and invariably and uniformly been progressive and increasing. There have always been ups and downs in the export as in any other business, always storms succeeded by fair weather.

"There is entirely too much loose and uninformed talk of American export trade as something 'new.' It is not new—it is older than the nation itself. Take three minutes for a dive back into history. It is really of absorbing interest.

"But there is no 'royal road' to success in the export trade. If we want more export business it is up to us to go and get it. The world is not coming to us again on bended knee begging for American goods. We have got to go and get business just as we did before the war. We have got to be aggressive, and we have got to handle the business when we get it wisely and intelligently.

#### Tried Methods and Hard Work Required

"I have said that there is no 'royal road' to export success, that we have got to plan wisely and well, that we have got to manage intelligently, that we have got to work hard. Neither are there any wonderful new discoveries in export business. Nobody yet has suggested anything for our consideration that all of us who have known export business for a good many years have not seen tested and tried out, adopted or rejected long ago. The biggest corporations in the country—and they are numbered among our biggest exporters, too—did not perfect their export organizations in a year or in two years. They had to work and work wisely, they have to still. All of us, like them, have got to depend on ourselves, on the individual initiative which is so characteristic of the Anglo-Saxon business man. We have not to depend on Government assistance, we have not to depend on American ships or any form of extraordinary finance and credit schemes. We can do business to-day

on old sound lines, the proof of which is that we are doing that business to-day.

"It is true that there are some handicaps. But did anyone ever know any business anywhere in which handicaps are not to be found. It is the business of the business man to overcome handicaps. His success depends on his doing it. He can do it now as it always has been done. That handicaps are not insuperable obstacles is, yet once again, made clear and emphatic by the fact that export trade is still going on and in large volume, in big volume as it would have seemed to us in 1913, of highly encouraging volume as it ought to seem to us to-day.

#### No Cause for Terror

"There is nothing to be called 'terrifying' about any handicaps that we are encountering. High prices are always a handicap and a lot of people let their courage ooze out because they convinced themselves that it was not possible to do any export business in view of the rates of exchange. And still international business goes on. It has not stopped. The exchanges will right themselves some day. Some of them have been 'improving,' as the saying is, pretty fast in recent weeks, and then the psychological 'state of mind' is being readjusted. People are accepting a new viewpoint as to values.

"The newspapers have a good deal to say about the inflated currencies of some countries, about printing presses working overtime in turning out so-called money, about the impending bankruptcy of nations, their inability to pay the interest on their obligations, and so on. Don't let us get confused about this. National finance and private commercial finance are two separate and distinct things. No matter what the condition of a nation's finances may be, no matter if it defaults in its national obligations, still trade within that nation's boundaries never stops. The people of that nation always have innumerable things which they have to buy. Shopkeepers, wholesale merchants, manufacturers in that nation have to supply these things, have to keep their doors open and goods on their shelves or in their warehouses, and there are always plenty of them who have money or can get money with which to pay their bills. International commerce is not and never has been in danger of ceasing entirely. It is going on as it always will go on because it must. There is plenty of it for our share to-day."

Under the title of "Selling the Man Whose Exchange is Off," George C. Vedder, gave the export manager food for thought in selling effort in countries where fluctuating exchange has operated to discourage dealings.



Spirited discussion of the advisability of making sales in foreign currencies was awakened by the paper of F. J. Whitlow, of Nujol Laboratories, on this subject. Mr. Whitlow, in advocating this action under certain conditions, said:

"The wise importer placing an order with an American house, delivery within sixty days sight draft attached to documents, will immediately purchase from his bank a 60-day future on New York. This puts him in a position to sell these goods for future delivery and to realize a stated profit, as he knows exactly what he is going to pay for them. Unless he takes this precaution, he is gambling as to the cost of the goods on arrival. Supposing we, as exporters, undertook to quote in foreign currencies. How are we going to protect ourselves? Practically all of our large banks here in New York have established extensive foreign relations and are in a position to negotiate futures of exchange in most currencies, and if the export manager is able to approximately estimate his business over a period of thirty, sixty or ninety days, the financial department of his firm could sell futures in the foreign exchanges and thus protect themselves against fluctuations.

"This procedure means that we should be doing a certain amount of gambling, for it may happen that sales do not come up to or may exceed expectations, or that some remittances may be postponed, in which case it would be necessary to again enter the exchange market and buy to cover our shortage, and I have a feeling that the export manager who approaches his firm with this proposition is going to find himself unpopular. But I firmly believe that any export manager who is successful in having such a system adopted is going to secure a large share of goodwill and possibly get the jump on many of his competitors.

"Many of us operate through a subsidiary, a branch house, or a sole distributing agent, and personally it has been my experience that with either of these is an ideal method of working."

#### **Building for the Future**

John H. Neubert, export manager of the Taylor Instrument Companies, in speaking of this subject, advocated taking a loss of profit through developments in exchange to-day in order to build markets for to-morrow.

Mr. Neubert further said: "One of the greatest barriers to foreign trade during the world-wide readjustment is the exchanges between countries, particularly the ones carrying the bulk of foreign financing. Manufacturers and exporters will do well to adopt arbitrary conversion standards favorable

to clients abroad, sustaining present-day loss of profit in order to build markets for the future when exchange rates approximate nearer normal.

"Quotations should be made on the c. i. f. basis at seaboard of buyer's country, and where this is not possible, the quotation to merchants in their own monetary systems for goods delivered at New York will bring far better response than similar quotations in dollars, for, in the first instance, merchants may determine what merchandise is to cost, the sales price abroad, and the profit, whereas on the dollar basis, merchants are unable to know what exchange rate may exist at the time bills become due and in consequence cannot determine sales price or profit until delivery and payment."

Devastated credit regions and how to rebuild them was excellently treated by that well-known authority on credit granting, O. T. Erickson, of Carter's Ink Company.

#### **Great Necessity for Credit**

"Rebuilding devastated credit regions," said Mr. Erickson, "is possible only through sales on which credit is granted. It is on a credit basis that the house with a broad policy is seeking its share of foreign business. The far-sighted business man, far from being misled by conditions of the moment, is sending his salesmen abroad to secure his share of export trade to-day. By so doing he is building his own future and receiving his full portion of the substantial, steady improvement in conditions. Conditions are improving. Devastated credit regions are rebuilding. Many millions of dollars' worth of merchandise, which a year ago congested ports, have been absorbed. Importers' stocks are showing need of replenishment. In one far-eastern country the largest wholesaler a year ago stated positively he had over a year's supply of our merchandise. A few months ago he ordered heavily by mail items which he honestly felt a year ago he would not need for some years.

"The first step in rebuilding devastated credit regions is a mental step. The management of American business must realize a fundamental truth. Regardless of loss of capital resources, due to depreciation in exchange, reduced values and over-stocks due to simultaneous arrival of cumulative orders, the merchant overseas retains his greatest assets. These are his character and his capability. Where character and capability exist there is the one sound foundation upon which credit and sales on credit can wisely be rebuilt.

"It cannot be emphasized too strongly that the credit man and the export

manager are logical friends and not natural enemies. Promiscuous sales solicitation is as fatal to the rebuilding process as is a policy of cash at inland factory.

"If the credit man has no orders on which to pass credit then he has no job. If the credit man unwisely credits foreign orders so that tremendous losses follow, then history proves that the export department is wiped out of existence. But when by wise and courageous teamwork, the credit man and the export manager bring business into being, maintain it and increase it, their joint reward is inevitable.

"Let me cite to you a few actual examples of rebuilding devastated credit regions.

"In the early 1900's an earthquake devastated an entire country. It was one in which we were groping for adequate sales representation. We had our initial direct shipment in transit. The importer had no credit standing and the goods went forward with sight draft attached to bills of lading. The day the earthquake occurred, your honorary president, Walter F. Wyman, and I had a conference. The shipment was a trial order amounting to only \$150.00. From a credit standpoint the account was hopeless. But we needed representation and the export sales end proved the sales possibilities of the country. From preliminary correspondence it was made clear that the customer had sales ability. We decided to build good-will out of the apparent misfortune. We cabled the customer asking only if he and his family had happily escaped injury. We cabled the bank to release shipment on open account. Then we wrote at length our sympathy to him as an individual and to his country as a nation. We told him to think first of himself and his interests. If he cared to accept the shipment on open account and pay at his convenience this would please us. We did receive a payment in course of time. We have since extended to him credit as high as \$3,500.00. Our many thousands of dollars in sales to him are based upon good-will. Out of the ruins and ashes of devastation due to earthquake and fire, we rebuilt credit and sales on a foundation of gratitude.

#### **Never Deserted Mexico**

"Surely in our quest for precedent to aid us in rebuilding devastated credit regions we can find many instances in Mexico as it was prior to the World War. If I may be permitted one proud boast for our credit and sales organization it is that we never deserted Mexico. Every order not manifestly fraudulent was shipped on credit terms. Our own salesmen visited Mexico and maintained sales and credit contact. We studied the sales and credit needs of

every state in Mexico and the sales and credit needs of every account in each state. Then we met the need. Customers were wiped out of business—but they returned and we helped them rebuild. When they were again on their feet they paid their old obligations. Our book losses in the seven years from 1908 to 1914 inclusive were less than \$600.00. I know this will be further reduced.

"When devastated Mexico enjoys even a brief surcease of revolution, we are repaid time and time again for our loyalty to our customers."

#### Offers Encouragement to Exporters

Under the title, "The Present Economic Situation," George E. Roberts, vice-president, National City Bank, made a most instructive and, at the same time, encouraging talk which should be read in full by export men. In part Mr. Roberts said:

"I understand that I have the honor of addressing the heroic survivors (laughter) of that numerous and gallant company that started out a few years ago to establish the United States in the markets of the world. A good many have dropped out for various reasons, chiefly because the going has been anything but good of late, but I hope that this represents the irreducible minimum.

"Since we have every reason to believe that conditions cannot be possibly worse in the future than in the last year, and since there are real signs that the corner has been turned, I think we may have faith in the prospect for unlimitable improvement in the future. We haven't accomplished everything that the most enthusiastic prophets predicted a few years ago when the war opened up great markets apparently without competition and no sensible person supposed we would.

"In the first place we had a good deal to learn and while some of the conditions were favorable, a good many of them were not and, after all, the best conditions under which to develop trade are normal and stable conditions including all the competition that ever may be. It doesn't count for very much to be temporarily without competition. This is a competitive world. It takes competition to develop the abilities in any line of work and it takes competition to prove a man's right to any place or position. In the long run, we will have that share of foreign trade to which we are entitled by reason of our resources, our skill in the industries and our intelligence and skill and ability and salesmanship and in trade.

"Now our troubles for the last year have been less because of competition than the general disorganization of industry the world over and the demoral-

ization of the exchanges which resulted from it. The whole world ought to learn a lesson in natural and helpful trade from its experiences in the last few years, but, unfortunately, I am afraid there is no assurance that the world will learn that lesson or even that this country will learn that lesson.

"Before the war, a great international, beneficial trade had been built up, gradually and naturally, we scarcely realized how.

"The industries of the world to a great extent were inter-dependent and mutually supporting. Western Europe, densely populated, highly industrialized, was constantly sending out great quantities of manufactured goods to all parts of the world, receiving her pay for them in foodstuffs and raw materials. That system of trade was disrupted by the war. Even within Europe, the channels of trade are still in large part blockaded. The old Austrian Empire which formerly was a territory of complete and unrestricted trade, was cut up into six independent states and each immediately proceeded to erect tariff barriers against all the rest of the world.

"Russia was formerly a great source of foodstuffs and raw materials for Western Europe and a great market for manufactured goods. That trade has disappeared and its effects are felt indirectly in every part of the world.

"India for example is a great producer of tea and Russia is one of the great world markets for tea. The inability of Russia to buy tea has prostrated that important industry in India and the prostration of that industry has affected the purchase of cotton goods in Great Britain by India and the depreciation of the cotton goods industry in England, the worst in fifty years, has affected our great cotton growing industry in this country and reacted upon all the other industries of this country.

"And so in that manner, and in many other, the conditions in Europe, have reacted upon this country.

"During the war, as I have said, the normal rules of trade were for the time being, suspended and most of the countries put an embargo upon the exportation of gold. Now that deprived the traders of the usual means of settling their balances.

#### Had to Bid for Exchange

"It compelled them to go into the markets and bid for exchange on the countries in which they had payments to make. The results of that were very well illustrated nearby in our relations with our neighbor—Canada. The Canadian exchange now is back practically to normal, but for the last three years the American dollar has maintained a premium ranging up to fifteen

and even eighteen per cent and the balance of trade between the two countries has been in favor of the United States, at the rate of about three hundred million dollars a year.

"Now under ordinary conditions, the currency of Canada would be presented for redemption, gold withdrawn and sent to the United States to settle the balances, but the total banking reserves of Canada in gold are not much more than two hundred million dollars and it was evident under the conditions existing that unless an embargo was placed upon gold, the entire banking reserves might be withdrawn away, so the Canadian banks established a reserve of gold.

"Now the balance of payments running from Canada to the United States at the rate of three hundred million dollars a year; the Canadians who had these payments to make, deprived of the ordinary means of making them, were forced into the markets to bid for exchange to the United States.

"That amounted to offering a premium, an open offer to anybody to come forward and furnish the means of making payments in the United States. That could be done by establishing credits in this country, either by borrowing, by the sale of securities, or by the sale of Canadian products. It amounted to a premium upon sales in the United States and a penalty for purchases in the United States, so that the net influence was toward reducing the trade balance, and to bring the purchases and sales of the two countries toward the equilibrium.

#### Resented the Dollar Premium

"Now, this premium of the United States dollar over the Canadian dollar brought forth a good many strange comments. The Canadians generally resented it, or were disposed to resent it, as a reflection upon their credit, or upon their mind. As a matter of fact, it was neither.

"I remember reading of an important public official of Canada who made the statement that he would not buy five cents' worth of goods in any country that didn't treat the Canadian dollar fairly. Now, that was rather an inconsiderate remark because the premium of the United States dollar was due to the competitive efforts of Canadians to obtain the means of payments in the United States. It wasn't due to anything that was done in the United States. The Canadian dollar is the exact counterpart of the gold dollar of the United States. It contains exactly the same quantities of fine gold and, of course, there never was a time when it would not be readily received at its face value in the United States.

"On the other hand, the Canadian paper dollar was never intended to cir-

culate outside of Canada. There is no use for it in the United States. It is not a legal tender in the United States; it would not be received by the banks of the United States simply because they would not be able to pay it out. You could not buy goods with it here; you could not pay labor with it here; you could not pay taxes with it here, and that is one of the principal uses for money nowadays. (Laughter.) In short, there was nothing that we could do with it, and that situation as to the Canadian dollar, as to Canadian currency, arising almost wholly from a great trade balance, in favor of the United States, illustrates the situation which has existed with a great many other countries.

"I have been asked a good many times why it was that the National City Bank, having a branch, for instance, in Buenos Aires, was obliged to follow the markets on exchange on Buenos Aires. I remember particularly an insistent gentleman a couple of years ago, when exchange on Buenos Aires was at a premium and he couldn't see why it was, he said, that the National City Bank which didn't have to go into the markets to buy exchange, but which had its own branch in Buenos Aires on which it could draw, was obliged to charge such exorbitant exchange rates for drafts on Buenos Aires.

"Now, he overlooked the fact that with trade running heavily, the balances running heavily, in favor of Argentina, payments to be constantly made on balance, in favor of Argentina, if the National City Bank sold drafts on Buenos Aires, below the market in the first place, it would have all the drafts to sell, the business would all come to it, and in the second place, by receiving money in Buenos Aires, and paying it out in New York, it would be constantly transferring its business, its assets from New York to Buenos Aires. It would not take very long until the branch in Buenos Aires would be the main office, and the main office in New York would be a branch."

Excellent, instructive addresses were also made on "The Growing Need of Personal Field Work," by A. D. Mallor, of the Supro Building Products Corporation; "Arguments For and Against Consigned Stocks," by Fred S. Phillips, former export manager and for several years in business in Cuba; "Sales Promotion by Mail," by Elmore Salisbury, of the Brunswick, Balke, Collender Company; and "Rounding the Corner in Our Export Trade," by Leland R. Robinson, assistant director, Bureau of Foreign and Domestic Commerce.

The best attended and most successful meeting of the club was brought to a close by an eloquent address at the dinner in the evening to "The Export

Managers," by Oren S. Gallup, of the Simonds Manufacturing Company, and former president of the club.

#### WILL PREVENT VIOLENCE

Warning that the Federal Government would tolerate no violence to prevent coal production during the threatened coal strike was issued by Attorney-General Daugherty. Mr. Daugherty declared he was making no threats and that he believed men have the right to strike in an orderly way, but that they have not the right to interfere with those who take their places.

The Attorney-General did not disclose the Government's plans when the miners walk out. Mr. Daugherty said he did not believe the Government would have to wait until there was an actual coal shortage before it could take action. His theory is that since fuel is an indispensable part of transportation the Government has the same power to act in the case of any interference to coal production that it would have in the event of any interruption in the nation's transportation system.

The Attorney-General also declared that action by the Government in connection with a coal strike would be a little further step than had been taken by any other country, a little more drastic and a little more specific, but his mind was set upon it and only a court could block it. He added it was probable that at one minute past midnight on March 31 the Justice Department would have something to say on the situation.

#### A HELP TO BANK DEPOSITORS

Hereafter everyone may be relieved of the annoyance of trying to write on his bank deposit slips the four or five-word names of banks in a space hardly long enough for one word.

This listing of banks by name is really unnecessary as every bank in the country is designated by a number, known as its transit number, which indicates the name of the bank and its location. These transit numbers appear on every bank check. For example, 5-20 is the number of The National Shawmut Bank of Boston; the number 5 identifies all Boston banks, while the second number indicates the particular bank in Boston.

With a view to relieving the public of this annoyance, and to promote efficiency and accuracy in the handling of bank deposits, The National Shawmut Bank of Boston has issued a little booklet, "A Guide to Transit Numbers of New England Banks." All the commercial banks and trust companies in New England are grouped under their respective cities and towns and the transit number of each is given. Copies of this booklet may be obtained on application.

(Continued from page 26)

exports the film gets for it from \$500 to \$1,000. The State laws are inadequate to punish such receivers."

Many film thefts, perhaps the majority of them, may be traced to "inside jobs." Some night watchman, office boy, shipping clerk or other employe slips a film to a confederate on the outside, who duplicates it and then is in a position to flood the world with the film. The committee of the national association has checked up on many persons employed in the exchanges and those with bad records have been discharged.

One film theft plot that would have resulted in a loss of at least \$500,000 to the companies involved was disclosed a few weeks ago by W. C. Hawkins and John S. McLeod, agents of the film theft committee. The film was to have been shipped to Japan, Mexico and South America—all fruitful fields for stolen films—thus spoiling the market for the rightful owners of the pictures.

South America still is flooded with stolen films, according to agents of the committee. The bona fide American exchanges are opening offices in Mexico and Japan rapidly, however, so that it is becoming easier to check up on stolen films offered for exhibition in those countries.

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# TRADE OF THE WORLD AND FOREIGN TRADE OPPORTUNITIES

Conducted by **WILLIAM M. BENNEY**

Manager, Foreign Trade Department, National Association of Manufacturers

## Trading With British India

*Observations of an American business man who has returned recently from India after two years of practical experience in buying and selling there in interest of an American company*

Written especially for AMERICAN INDUSTRIES

By **CHARLES B. SPOFFORD, Jr.**

**P**RESENT conditions in Europe should be effective in directing the attention of American manufacturers upon markets which have heretofore been neglected.

With European countries being required to curtail their imports to bare necessities, new markets must be sought and developed if we are to benefit, rather than suffer, from the greatly increased capacity of our manufacturing facilities built up during the war.

The enormous increase in our trade with India during the past five years suggests significant and appealing possibilities to the manufacturer who will give the potentialities of this market a little thought.

Here is a country having a population three times as great as all South America. It is one of the few countries which, normally and even now, has a favorable trade balance.

India is becoming more and more necessary to us as a source of raw materials which have previously been bought through Great Britain, Germany and Japan. Her exports to this country exceed her imports from us by nearly 300 per cent. Common sense demands that these goods should be bought direct so that a tremendous and sound credit in the United States may be established against which her merchants can draw in settlement for their purchases from us.

To-day, little more than our own indifference stands in the way of making India one of our best markets. Our intensive and practical development during the past few years has so improved our commercial machinery as to remove most of the former handicaps

to our efforts in this field. We now have the ships and banking facilities to assist us. Efficient steamship service and the broad problems of credit are provided for. American products are not unknown in India. The war gave us an opportunity to introduce our goods and recent developments indicate that we have an excellent chance of increasing our hold in this market if we are willing to work for it.

Indian merchants desire nothing better than American competition with England. They feel that this competition for India's trade would be beneficial in that a growing proportion of trade with countries other than the British Empire would force acceleration of her development. Japanese goods were tried during the duress of the war and found wanting. American goods found favor.

The steady industrial development of India in the coming years is assured. This means a rapidly growing market for many industrial products, the demand for which will be stimulated through the increased purchasing power of the workers and their rising standards of living. In this development, we hold many potential advantages over other non-British competitors such as the absence of language barriers, their appreciation of America's position in international affairs and the favorable attitude toward the value and serviceability of products stamped "Made in U. S. A."

It is a market in which personal touch and contact with the entire field by one familiar with the country, her requirements, customs, prejudices, etc., are essential to successful trade.

In order to stimulate interest in this promising market, an attempt is made to put before our more progressive manufacturers the salient facts regarding the country and an outline of a plan by which those interested can secure some of her trade.

### Salient Facts About British India

**AREA.** The area of British India (1,800,000 sq. miles) is equal to the whole of Europe, except Russia or about half that of the United States.

**POPULATION.** India's population (325,000,000) is approximately three times as great as all South America or the United States. It has a density averaging 175 to the square mile or about that of Europe.

**RAILWAYS.** India's railway mileage is nearly 40,000 miles, ranking below only the United States, Germany, and Russia. Half of these lines are owned and operated by the government. The accommodations compare favorably with those of occidental countries and form a highly developed trunk system connecting all the principal cities. Imports into Calcutta of railway plant and rolling stock in 1919-20 exceeded \$19,000,000. About half of such imports were from the United States.

**RIVERS.** There are many large rivers in India, including the Ganges, Indus, Brahmaputra and Irrawaddy. These rivers are navigable the year round and in many sections make excellent highways for transportation.

**AGRICULTURE.** Farming occupies about 85 per cent of the people.

Crop yields are far below the possibilities of the soil because of antiquated methods. Out of a total crop acreage of 250,000,000 only 40,000,000 acres are under irrigation. Modern implements and agricultural machinery are the greatest need of the country. Possibilities for the sale of American pumps and small oil engines are great. At least 16,000,000 acres of land are irrigated from 3,000,000 wells by primitive contrivances. The chief agricultural products are rice, cotton, maize, wheat, flax, jute, indigo, tea, coffee, and sugar.

**NATURAL RESOURCES.** India is rich in coal, petroleum, manganese, tungsten, mica, and forest reserves. The annual output of coal is about 20,000,000 tons. The average annual output per head of labor employed below ground is only about 170 tons as compared with 325 tons in the United Kingdom and a still larger tonnage in the United States, but there has been a great advance in recent years in the development of the mines and in a number of them modern equipment has been installed.

About three-fifths of the world's production of mica is derived from India which supplies the finest quality obtainable for certain electrical industries.

The forest area of India covers 86,000,000 acres and the country enjoys a practical monopoly of the world's trade in shellac, the United States buying over \$8,000,000 worth annually for extensive use in the manufacture of gramophone goods, varnishes, lithographic ink and for insulating purposes.

**INDIAN TRAITS.** The Indian is conservative, not eager to grasp at every new contrivance developed by the Western world, but he can be shown. Their social and industrial organization has been founded on idealism, rather than materialism. Their wants are simple, religious prejudices intense and the prevailing caste system among the Hindus has hindered their development in the past.

**INDUSTRIALISM.** The war has wrought a great change in Indian internal affairs. Modern industrialism is rapidly developing. Finding herself isolated from the world, from its market of supply in many essentials, home industries sprang up. This transition towards an industrial stage found quick response from native as well as European capital and the development has continued unabated. India is beginning to realize that many articles for which she has relied on other nations, can profitably and successfully be made at home. The result has been the floatation of companies on an unprecedented scale. The riches that India has been noted for are not only being put to use,

but put to her own use. The number of new companies registered in the year 1919-20 was 906 with an authorized capital aggregating about \$900,000,000. Cotton mills erected have an output of 600,000,000 pounds of yarn and 350,000,000 of woven goods a year. Her jute mills can turn out over 600,000,000 pounds of burlap cloth. The erection of a great iron and steel industry by the native Tata interests is due to create a small Pittsburgh in Southwest Asia. The Indian Munitions Board has been instituted by the government for the purpose of furthering and encouraging this industrial development.

**CITIES.** Practically all of this industrial development is centralized in the port cities of India which are in the order of their population: Calcutta, 1,300,000; Bombay, 860,000; Madras, 600,000; Rangoon, 300,000; and Karachi, 160,000. Large interior cities include: Hyderabad, 500,000; Delhi, 233,000; Lahore, 228,000; and Benares, 205,000.

**PURCHASING POWER.** The present purchasing power of the natives is generally low, for foreign goods, only \$1.99 per capita, but this amounts to over \$600,000,000 annually. There are many wealthy families with large sums of money to finance the needs of India when given proper encouragement. Increased purchasing power from the masses will result from this industrial development as well as increasing their wants and raising their standard of living.

**FOREIGN TRADE.** The balance of trade is ordinarily, and often very largely in favor of India. Occasional crop failures, due to a poor monsoon or rainy season, have been the only cause for exception in the past sixty years to an increasing and persistent excess of exports over imports.

The year 1919-20 showed India's foreign trade to have attained the unprecedented figure of about \$1,750,000,000. Next to the United Kingdom, the United States held the premier place in this trade, the value of our exports was \$80,000,000 an increase of 56 per cent over 1918-19, and of no less than 428 per cent over the pre-war year. Our imports from India were valued at \$160,000,000 as against \$110,000,000 in the preceding year and \$70,000,000 in 1913-14. The year 1921 will naturally show a much smaller valuation from that of 1920, but indications are that, in volume, this trade will decline little, if any.

India has been regarded as a market belonging exclusively to Great Britain. Only our past indifference has allowed it to be so. The war afforded us the opportunity of making India the best field for our trade development of any British colony except Canada. To-day,

India ranks third in our volume of trade with the Far East, being passed only by China and Japan.

**EXPORTS.** The principal exports from India are raw and manufactured jute, raw cotton, hides and skins, seeds, tea, shellac, manganese ore, mica, myrobalans, etc. The United States share in these exports is 15 per cent or half that of the United Kingdom.

**IMPORTS.** The principal imports into India are cotton goods, machinery, mineral oil, iron and steel, electrical equipment, railway materials, dyes, condensed milk, hardware, copper and brass, cigarettes and matches. The United States share in these imports is 12 per cent consisting chiefly of mineral oil, iron and steel, motor cars and machinery. Our iron and steel were imported to the extent of 134,500 tons. The value of our machinery more than doubled from the previous year to about \$9,000,000; hardware, \$5,000,000; electrical equipment, \$3,000,000; paper and pasteboard, \$2,000,000; dyes and tanning substances, \$2,000,000; drugs and medicines, \$800,000; shoes, \$800,000; chemicals, \$350,000, and what are classified as "miscellaneous" totaled \$9,000,000.

**TARIFF.** The customs revenue in India is derived mainly from general import duties which are levied for fiscal purposes and not for the protection of Indian industries.

The general tariff rate is 11 per cent *ad valorem*, little, if any, preferential is given goods consigned from the British Empire and no consular documents are required. Special duties are in force for salt, liquors, arms, and ammunition, tobacco, and petroleum. Export duties are imposed on jute products, tea, and shellac. In order to stimulate industry, many classes of machinery are entered at 2½ per cent duty only while other types of machinery and agricultural equipment are admitted duty free.

Clearances are handled promptly and impartially. No restrictions are made on goods from foreign countries, but the Merchandise Act requires that the country of origin shall be conspicuously shown, i. e., "Made in U. S. A."

**BANKS.** The banking facilities in India are good, the principal exchange banks having branches in all the larger cities. One American bank, the International Banking Corporation, has branches in Calcutta and Bombay.

**SHIPPING.** During the past few years American shipments have been greatly improved by the regular service of ships under the American flag. Definite and direct sailings are now maintained between American and Indian ports. Freight service between New York and Bombay takes about thirty



days and Calcutta forty-two days. Service between San Francisco and Calcutta requires about thirty-five days, without transshipment.

**TRADE MARKS.** Pictorial trade-marks have their value, but care should be taken in the selection of the mark on account of religious prejudices. Registration of trade-marks is not necessary, but desirable.

**ADVERTISING.** Methods in vogue in America are likely to do more harm than good. India does not take to brazen advertising which is too assertive or aggressive. Catalogues in English find much use, are constantly being referred to and are necessary. Newspaper advertising rates are high, but where discrimination is shown in selecting the papers which reach the class intended the results justify the expenditure in introducing the goods. Calendars, paper weights and mirrors furnish the better means of novelty advertising. Advertising is of little value without personal representation. The representative sells the goods.

**LANGUAGES.** A knowledge of Hindustani, the most common dialect in India, is desirable but not essential. English is the commercial language spoken but being able to converse, even to a small extent, in the native tongue naturally pleases the native merchant and unquestionably assists in securing orders.

**TRADE CONNECTIONS.** India's trade is handled through commission houses and selling agents. The former method does not assure the manufacturer of a permanent market for his particular product and is only recommended for trying out the field. The latter method should be granted only after careful investigation. Many connections made can do more harm than good to a manufacturer's efforts. Agency rights should be limited in territory to what can be properly covered and agents should not be permitted to exact prices netting excessive profits at the expense of imperiling further trade. Whenever possible permanent representation of a resident agent of a manufacturing concern should be made to supervise and coöperate with the selling agents in their efforts. British and native agents do not understand or appreciate our selling methods. The Britisher has not the confidence in our standard of value and is not likely to be so interested or successful in pushing American equipment as an American representative would be. An American on the spot, because he has confidence in the worth of his product, can secure three orders to his agents' one.

In selecting an American representative, emphasis should be placed on his

character, education, tact, refinement, habits, and his knowledge and attitude towards the country and the people he will be doing business with. Experience in selling methods of this country will be of little use and may cause harm. The great need on the part of the American firms in establishing themselves in this market is to sell service. Technical service, before and after placing an order, is an important sales factor which is frightfully lacking in India.

**TERMS.** No fixed terms of credit can be considered in a country so diversified in her customs of doing business as India. If a resident agent is sent out to this territory he should be given reasonable authority to fix the terms of credit to meet the varying exigencies. When Indian merchants are required to pay for goods before actual possession, they do not consider it as being a credit. Probably the most desirable terms that would be urged would be payment against documents in India rather than in New York before shipment. With a personal representative in India, no more risk would be involved in extending credit comparable to that granted at home.

In the end terms of credit will depend upon the anxiety of the home

manufacturer to establish connections in India. A house that has been established for a number of years and has made a reputation for itself is in a position to do business in India on a much better basis than a new one. New firms are usually compelled to give special inducements to local merchants depending upon the demand for the line of goods in question.

**GENERAL.** The Indian merchant is a heavy buyer but cannot be hurried into giving an order. Haste and impatience lead to suspicion. To him the granting of a first order means more than just the value of that one order, it means the beginning of friendly business relations. He insists on becoming satisfied with your representative's integrity. The name of your company, the quality of your samples and the terms of your business will carry little weight if he is not confident that your agent is reliable.

It must be borne in mind that the natural trend of the Indian trade is toward Great Britain and unless American manufacturers send representatives to establish trade connections, there is little likelihood of the Indian importer applying of his own initiative to American firms for his requirements under normal conditions.

## The Brazilian Exposition

**A MISUNDERSTANDING** appears to have arisen with respect to private exhibits at the exposition to be held at Rio de Janeiro in September in celebration of the hundred years of independence of the United States of Brazil.

The United States and other governments have appropriated sums of money for adequate representation of their various countries in the form of public exhibits. Inquiry of the Brazilian Consul in New York with respect to private exhibits has brought the following answer under date of March 17:

"By the new regulation of the exposition in Brazil in order for private manufacturers to exhibit in the exposition they will have to do so through the official representation of their country in that exposition.

"In the case of the United States, however, I am informed that the commissioner in Rio de Janeiro has instructions to the effect that no private exhibit will be displayed in the palace of the United States. As the thing stands, there is no possibility for private enterprises to send their exhibits to Brazil. However, there is being made an arrangement by which some private

initiative will take steps so as to obtain through the United States commissioner certain space in the exposition area in which to build an industrial pavilion accessible to the private enterprises of this country. The persons who are ahead of this movement have promised me that in a few days announcement will be made to all manufacturers of this country that they may rent space in that pavillion for the purpose of exhibiting."

### CANADA YEAR BOOK

Canada is one of the few countries whose government publishes annually a Year Book. The information contained therein should be of value to those interested in obtaining accurate statistical, descriptive and other information regarding Canada's natural resources, industries, commerce, labor and other matters. The book is replete with statistical and other official data of value to those seeking specific particulars on any of the various subjects covered. The 1920 edition, which has just been published, also devotes some space to reconstruction matters in Canada. The Year Book is published in Ottawa by the Dominion Bureau of Statistics.

# FOREIGN TRADE OPPORTUNITIES

The inquiries for American goods received by the National Association of Manufacturers from abroad will now appear in these columns. In order that the confidential nature of the inquiries may be preserved for the benefit of our members, the addresses of inquirers will not be printed in "American Industries," but the inquiries are numbered, so that members interested in communicating with any of the inquirers may obtain the addresses by writing to the Foreign Trade Department of the Association at 50 Church Street, New York, and mentioning the number or numbers whose addresses they may desire.

Where no language is mentioned, letters in English will be understood.

## MEXICO

Physicians' and surgeons' outfits complete. The inquirers state that a good business can be done in their territory in complete outfits for doctors' offices. (278)

Iron and steel bars, and billets; also food products of various kinds are of interest to a firm of merchants and manufacturers agents. Correspondence in Spanish. (279)

## WEST INDIES

Salted meats, common soap, paper and flour. The inquirer desires to secure American agency connections for the Dominican Republic. (280)

High-grade wheat flour from Minnesota, Kansas or St. Louis, the inquirer guaranteeing a monthly sale of 500 bags of 200 lb. each; also wrapping paper of various grades. The inquirer is a merchant and manufacturers' agent in Cuba. Correspondence in Spanish. (281)

Confectionery and biscuits for Porto Rico. A firm of merchants in Porto Rico desires to hear from American makers who are prepared to grant exclusive representation for Porto Rico. (282)

## CENTRAL AMERICA

Refrigerating machine to be operated by electric power for installation in a butcher shop. Must be of fair size and capable of preserving meat for several days. Correspondence in Spanish. (283)

Hosiery of the cheap and better grades. An established sales agent in Nicaragua wishes to represent American manufacturer. (284)

Paper, cardboard, pasteboard, cambric and leather for bookbinding purposes, and printers' supplies generally. A party in Panama desires to hear from American makers. Correspondence in Spanish. (285)

## ARGENTINE

Cotton textiles, underwear and hosiery. A firm of merchants desires to hear from American manufacturers. (286)

## CHILE

Machinery, tools and specialties are of interest to a merchant. Correspondence in Spanish. (287)

Anilines for dyeing skins or leather are of interest to a merchant. Correspondence in Spanish. (288)

Stationery and office supplies, typewriters, adding machines and office equipment generally are of interest to a firm of merchants and manufacturers' representatives. Correspondence in Spanish. (289)

## COLOMBIA AND VENEZUELA

Harness and saddlery of all kinds, sporting goods and whips. A firm of merchants desires to hear from American manufacturers, and states that all purchases will be for cash. Correspondence in Spanish. (290)

Raw materials for the manufacture of perfumery; also bottles, corks and wax paper for bottles. A newly established manufacturer of perfumery desires to hear from American manufacturers. Correspondence in Spanish. (291)

## GUIANA

Dry goods of all kinds, millinery, notions, haberdashery, tableware, hardware, ironware, chairs, rockers and similar goods. A firm of merchants in

British Guiana desires to hear from American manufacturers. (292)

## PERU

Oak, ash, beech and other lumber used in the manufacture of furniture is required by a merchant and importer. (293)

Evaporated milk, kraft and sulphite paper, paper bags, canned goods and iron straps for packing cases. The inquirer is a merchant and importer. Correspondence in Spanish. (294)

Supplies for repairing watches, typewriters, and fire-arms. Correspondence in Spanish. (295)

## INDIA

Metal products, including iron sheets, angle iron, steel plates, bars, rods, hardware of all kinds, tools, saws, files, pig iron, brass and copper sheets, bricks, zinc bricks, pig lead, iron, copper and brass wire, aluminum kitchenware. A firm of merchants desires to hear from American manufacturers with quotations and catalogues. (296)

Pipe organ equipment, including machinery for the manufacture of windchest and cavity board; also reeds and pipe organ materials generally are of interest to a firm of organ manufacturers. (297)

Hardware, glassware, yarns, cotton and woolen textiles, hosiery, perfumery, cutlery, paints and colors, dyes, cigarettes, and bicycles. A firm of merchants desires to commence business with American manufacturers. (298)

Gray and bleached shirtings and sheetings for India. The inquirers state that a large business can be done in these goods and wish to hear from American manufacturers. (299)

Fine art photographs, pictorial post cards and also new and second-hand books of all kinds, are inquired for by a firm of merchants. (300)

#### ASIA MINOR

Silk spinning apparatus, machines for automatic thread cutting on lathes and oil presses. Inquirers in Syria, desire to receive quotations from American manufacturers. Correspondence in French. (301)

#### AFRICA

Cotton textiles for Egypt. The inquirer desires to hear from makers who can compete with English and Italian goods. Correspondence in French. (302)

#### MALTA

Wheat flour, refined sugar, hams, bacon, lard, canned meats, preserved fruits and fish. A firm of wholesalers and manufacturers agents desires to be appointed agents on a commission basis. (304)

#### FRANCE

Automobile body supplies and accessories of all kinds. The inquirers desire exclusive agency. Correspondence in French. (307)

Office specialties in the way of labor-saving or novelty apparatus, which would have a large use in banks and large business houses. The inquirers desire to secure American

agency connections. Correspondence in French. (310)

#### GERMANY, POLAND, BALTIC PROVINCES

Agencies for Germany. A long-established business man in Germany desires to secure American agencies for Germany and other European countries. (311)

Tallow, cocoa oil, colophony and soap oil made of petroleum waste. The inquirer states that he requires about 8 carloads per month for his factory and desires to hear from manufacturers prepared to do business on terms of three months' credit. (312)

## American Tools In Great Britain

**A**LTHOUGH at present there is practically no market for American small tools in Great Britain, it is generally agreed that certain kinds of small tools, which enjoyed a good market before the war, will again do so when trade becomes more normal, reports the American Chamber of Commerce in London.

There is some business being done but it is of a small nature, merely hand-to-mouth, and it is not anticipated that there will be any big revival during 1922 as the biggest users of small tools are the engineering and shipbuilding industries and these at present are either closed down entirely or working short time. A revival in building is not yet in sight.

A big factor in the situation is the presence of large stocks of small tools both in the hands of the Government and of dealers.

Another serious factor is the severe foreign competition, chiefly German, now being experienced. The market is reported to be flooded with German small tools, at such a low price that neither British nor American goods can hope to compete.

Numerous instances of this can be given. One small tool of German manufacture is selling in Great Britain at 4½ pence, while at the same time an American firm is trying to put on the market a similar tool of slightly improved design at 3 shillings.

Small hammers said to be of German manufacture are being offered at 6 pence each, American prices being about six times that amount. A German wrench of splendid quality made by the Hauser firm is selling for 10 pence; while the nearest American equivalent is being offered at 1s.8 pence and is said to be not nearly so well-

made and finished as the German wrench.

On the Continent too, German competition is being severely felt. It is reported that European markets are practically closed to British and American small tools.

Then the Safeguarding of Industries Act has badly hit the trade in American precision tools which are scheduled as a key industry. These special tools normally enjoy a good sale and are very popular in Great Britain, but are now subject to an import duty of 33⅓ per cent.

This duty in conjunction with the disabilities imposed by the state of sterling exchange has seriously operated against the sale of American precision tools by pushing up prices. The exchange is recovering to a certain extent and it is understood that certain firms are considering the necessity of approaching the Board of Trade with a view to getting some modification of the Act.

A very hopeful feature regarding precision tools is the fact that there is practically no competition, neither British nor German manufacturers being able to manufacture a tool of such good quality, and it is believed that this branch of the trade will always hold its own in Great Britain and that sales will increase as trade revives.

Another factor, which it is well to bear in mind as it affects the future position of American tools in Great Britain is that much copying of American designs has been done by British manufacturers which have the added advantage of cheapness. During the war manufacturers became thoroughly accustomed to American designs and of course realized that these were very popular.

Taps, for instance, of American design had a big sale in Great Britain in pre-war days. It is reported that these are now being manufactured by British firms who have copied the American designs and are turning out taps of good quality.

In numerous other lines, British manufacturers are reported to be catering for the market to a great extent, and it is asserted that with extended plant and machinery they will be in a good position for retaining the trade.

Many British firms who have previously stocked American tools are now selling German tools. It is reported that Germany is getting behind with deliveries, but whether this is due to shortage of raw materials or inability to cope with orders is not clear, though it is believed that the former is the real cause.

Although normally there is a good market in Great Britain for certain American small tools, sales are retarded at present by foreign competition and by large stocks.

Certain American tools are scheduled as a key industry in the Safeguarding of Industries Act and as such are subject to an import duty of 33⅓ per cent.

This duty, whilst putting up the price of these particular tools at a time when money is short, is not likely to kill the trade, as no serious competition has yet arisen or is likely to arise in the near future.

Generally speaking, American small tools which enjoyed a good market in Great Britain before the war, will do so again when exchanges become more normal and trade revives.

Certain small tools of American manufacture have been copied by British firms. Great efforts will be made to retain this new trade in the future.

# Undelivered Goods Now In Cuba

**T**HE large quantities of undelivered merchandise now held for so long a time in bonded warehouses in Cuban ports have been granted a further extension of 120 days for clearance before any forced sales for the payment of customs duties are begun, by a decree signed by President Zayas on March 2 and published in Havana, March 9. This decree gives effect to the promise made by President Zayas to the American Charge d'Affaires late in January, in response to a protest lodged upon instructions from Washington against a proposed decree published on January 21, directing the customs authorities to proceed to sell all undelivered goods holding in Cuban warehouses which had been stored over six months, as soon as the present period of permitted re-exportation expired early in April.

The invoiced value of the undelivered goods now holding in Cuban ports is estimated at over sixty million dollars, a large part of which is reported

to have been shipped by American merchants, but who have not yet been able to effect a settlement with their Cuban customers. The decree just issued grants the shippers of these goods assurance against forced sales for customs charges until the 6th of July, but requires that they shall remove the goods from the bonded warehouses within that time, either by re-exportation to the point of origin or by agreement with the consignee for payment of duties and entrance for consumption into Cuba.

## SOUTH AFRICAN EFFORT

Five and one-half acres represent the floor space provided in a series of new reinforced concrete buildings by a firm of merchants in Cape Town for accommodating several industries, including a boot and shoe factory, with a capacity of 12,000 pairs per week, a tannery, a furniture factory, and other factories for the production of har-

ness, saddlery, suit cases and mattresses.

"Across these two miles of water, where Stanley saw the schools of hippos so joyously playing, two railroads from the coast will reach their terminus, and the two capitals of Central Africa face one another. Stanley Pool, therefore, 300 miles up the river, is clearly indicated as the Congo's future center of gravity."

## COLONIES IN MEXICO

The Mexican Government is determined that no colonies from any country shall be established in Mexico unless their promoters can show beforehand that the colonists have enough money to make a success of the plans.

The latest scheme in a German colony, and the Mexican minister and Mexican consul general in Berlin have been instructed to see to it that colonists do not leave Germany for Mexico unless they are soundly financed.

# Sweden's Recuperation

**W**HILE the summer months of last year showed stagnation in every sphere of activity, the September trade returns showed a very important increase in exports as well as imports, and it is held, at least by optimists, that Sweden has "turned the point," and may now look forward to better trade conditions. As has been the case in other countries, the year 1921 brought many setbacks to Sweden, as has been proved by the numerous bankruptcies, executions, and forced sales of real estate all over the country, following closely upon some

years of the greatest prosperity. The figures for 1920 published some time ago by the Board of Trade bear this out, if compared with pre-war figures in 1913. Thus, while Sweden imported raw materials and manufactures in 1913 at a total value of Kr. 851,077,000, imports during 1920 increased to Kr. 2,571,254,000. Turning to the export figures, while the exports in 1913 were Kr. 821,730,000, they increased during 1920 to Kr. 1,748,161,000. Among imported articles during 1920, textile goods reached the unprecedented figure of Kr. 311,438,000, as compared with

Kr. 62,250,000 in 1913, and textile materials Kr. 120,000,000, as compared with Kr. 60,375,000, the results of which are now shown by the fact that in almost every town of the country textile goods are offered and sold at prices far below the actual manufacturing cost of to-day.

Sweden's expansion as an industrial country has taken place by leaps and bounds during the last fifteen to twenty years. Sweden has considerably extended her overseas shipping during later years by new and regular steamship lines, besides establishing Chambers of Commerce abroad in connection with permanent sample and show rooms for Swedish manufactures.

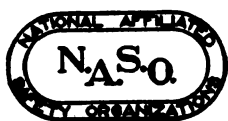
# WATER

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## Safety Devices

### Of the National Affiliated Safety Organizations

**Comfort Safety Goggles**—To protect eyes against flying dust, metal chips or glare of light.

**Arc Welders' Helmets**—To shield eyes against intense rays of the electric light.

**Leggings**—To protect foundry-men's legs against molten metal.

**Shoes**—To protect workmen's feet against molten metal.

**Respirators**—To prevent inhalation of harmful dust or fumes.

**Knuckle Guards**—To protect hands when wheeling barrows or trucks through doorways or narrow passages.

**Ladder Feet**—To prevent ladders from slipping.

**Chip Guards**—To protect eyes from injury by chips thrown from lathe tools.

**Metal Danger Signs**—Portable, for use in shop, yard or street.

**Linen Danger Signs**—Various warnings of danger, for attaching to sign boards or partitions.

**Rules for Crane-men**—For guidance of crane operators and others.

**First Aid Jars**—Emergency outfit especially developed for industrial use.

**Stretchers**—Sanitary metal stretchers, which can also be used as cots.

**Shaft Protector**—Spirally wound mailing tubes, to prevent injury to persons if their hair or clothing should catch on shafting.

The NASO Safety Devices were developed through the co-operation and at the expense of the associations comprising the National Affiliated Safety Organizations—the National Association of Manufacturers, 30 Church Street, New York City; the National Founders' Association, 29 LaSalle Street, Chicago; and the National Metal Trades Association, Peoples Gas Building, Chicago.

The NASO Devices are all sold at practically cost price, but any profits derived from sales are utilized for further research and development work along safety lines.

Information may be obtained from the Secretary of the National Founders' Association.

### PATENTS IN JAPAN

While the patent-office of the most inventive people of the world, that of the United States, is seriously crippled in its important work through lack of funds, the Government of Japan is giving serious attention to the improvement of its patent office facilities and the advancement of the social standing of patent attorneys. As steps in this direction, a law has recently been enacted for the benefit of the social status of patent attorneys and the number of employees of the patent office is being increased and the patent office buildings enlarged, for which appropriation of 300,000 yen has been made. Various imperial ordinances have been made or changed to simplify the patent law procedure which became effective January 1, 1922.

### ARGENTINA'S HAT INDUSTRY

While prior to 1914 hat manufacturing in Argentina had scarcely started, there are now nine large factories alone in Buenos Aires, besides sixteen smaller ones, turning out soft and stiff hats, of which two or three employ as many as up to 350 hands during the season. Four factories employ from 100 to 125 hands each, and the remainder employ some 60 to 70 hands. Every single operation in connection with hat making is performed by these bigger establishments, while several of the smaller factories are now doing their own cutting, cleaning, and carotting.

### CALGARY EXPORTS CUT

Exports from Calgary to the United States were approximately cut in half in 1921 when compared with the previous year's record of goods leaving for across the border, amounting to \$3,010,946, in comparison with \$6,729,692. This decrease was due entirely to the effects of the emergency tariff.

Included in the year's exports to the United States were 12,891 cattle, 1,975 sheep, 1,651,498 bushels of oats, 1,061,508 bushels of wheat, 97,512 pounds of butter, 65,152 sacks of flour, 925,625 hides and skins, 2,168,492 pounds of meat, and 2,736,592 feet of lumber.

### MEXICAN OIL DEVELOPMENT

"Eight years ago, in 1913, Mexico supplied but one fifteenth of the world's production of oil," says Roy H. Flamm. Seven years later, in 1920, it supplied nearly one-fourth. Last year, the world's total production of oil is given as in the neighborhood of 688,000,000 barrels, and the daily potential capacity of the existing wells in Mexico is estimated at 1,500,000 barrels, while the actual production is about 600,000 barrels daily.

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# Why Secretary Denby Wants a Navy

*In a detailed letter to the Editor of American Industries, in answer to a series of questions propounded, he emphasizes the necessity of an adequate Navy in maintaining trade and commerce*

*Prepared especially for AMERICAN INDUSTRIES*

WITH a view to giving to the manufacturers of the country a clear and comprehensive presentation of the case of the United States Navy, and the great necessity for maintaining a personnel strength in keeping with the nation's place in the sun to-day, AMERICAN INDUSTRIES publishes herewith an illuminating letter on the subject from the authority most eminently fitted to give it to the readers of this magazine—the Hon. Edwin Denby, Secretary of the Navy.

Following the attempt of the lower house of Congress to cut the Navy personnel down to 67,000 men—even lower than that of the Japanese—in spite of the fact that the Conference on Limitation of Armament set 96,000 as an adequate number of men for the navy of this country, the editor of AMERICAN INDUSTRIES asked four questions of Secretary Denby, to cover the subject generally. Secretary Denby replied categorically and in his letter he subjected himself to a short catechizing in order to bring out numerous vital, indisputable arguments why the United States Navy should not be reduced below the minimum of 96,000 which he had recommended after the most careful study of the needs of our sea forces.

Meanwhile President Harding had sent a message to Congress recommending that the personnel be maintained at 86,000, an increase of nearly 20,000 over the House bill. This was agreed to and the bill will now go to

the Senate where the fight between those who want to maintain our Navy standards and those who want to cut the Navy to pieces will probably be renewed. In view of this forthcoming situation, Secretary Denby's letter will be read with interest by the manufacturers, who have always believed that the Nation's Navy should be just as much of an adjunct and aid to the Merchant Marine in peace as the Merchant Marine should be an aid and adjunct to the Navy in time of war.

Secretary Denby's letter follows in full:

## NAVY DEPARTMENT

WASHINGTON

19 April, 1922.

My dear Mr. Edwards:

It is entirely agreeable to me to discuss the four exceedingly important and pertinent questions you put to me in your letter of the 12th instant, which were:

1. What would be the effect on industry and commerce of a sweeping reduction in the personnel of the Navy?

2. What would be the effect of such a reduction on the genius of the Navy, which gives so much to industry not only in war time, but also in peace time?

3. What effect would such reduction have on the development of an American Merchant Marine, and the extension of our foreign trade?

4. What would be the relative

strengths of the American, British and Japanese navies, and what advantage would Great Britain and Japan have over us in the extension of their foreign trade?

In order that my replies to your questions as stated, may be clear and appear in proper perspective to citizens inexperienced in maritime affairs, I am first going to ask and answer some questions of my own.

Q. What composes the sea power of a nation?

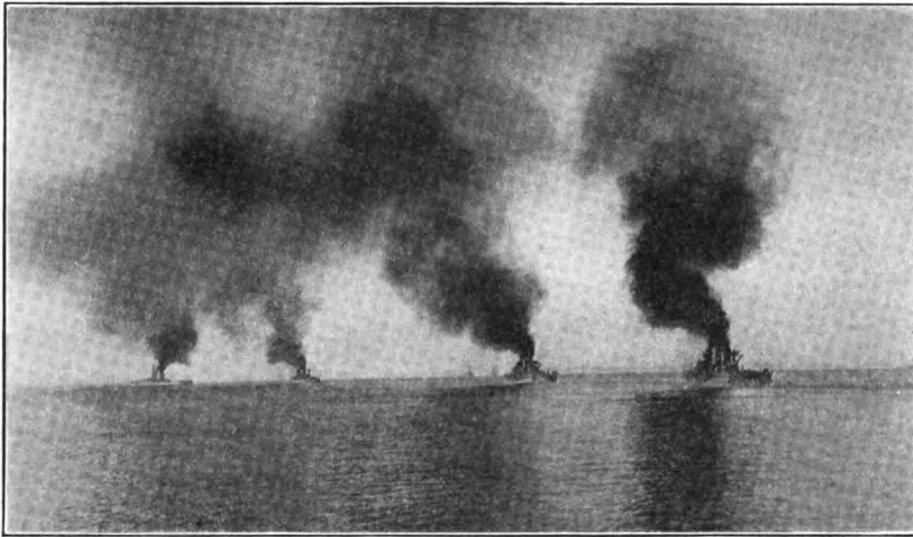
A. The sea power of a nation is composed of: (1) Its Merchant Marine; (2) Its Navy; and (3) Its bases, both commercial and naval.

Q. Is sea power in itself aggressive?

A. Sea power is not in itself aggressive. It is primarily defensive. The spectacle of a great and growing sea power, coupled with a great and powerful army, spells aggression and nothing else. The German Empire presented a perfect example of such a power in the spring of 1914.

Q. Are the Merchant Marine and the Navy mutually interdependent in peace and in war?

A. Yes. In peace, the Navy, by its latent power, every day of every year, exerts a silent pressure calculated to deter any other nation from adopting selfish policies which, if initiated and persisted in, would operate against our legitimate foreign trade and commerce and might even plunge us into the horrors of war. The Merchant Marine with its personnel trained to



The Atlantic fleet in column

the sea, presents a potential reserve of men and ships for the Navy, which must be taken into account by any nation meditating an attack on us.

In war, without the Navy, our Merchant Marine is swept from the sea. Without the Merchant Marine to render mobile the necessary supplies of food, fuel, ammunition and repair facilities, the Navy is tied to its home bases.

**Q.** What relation will sea power bear to the future economic development and prosperity of our people?

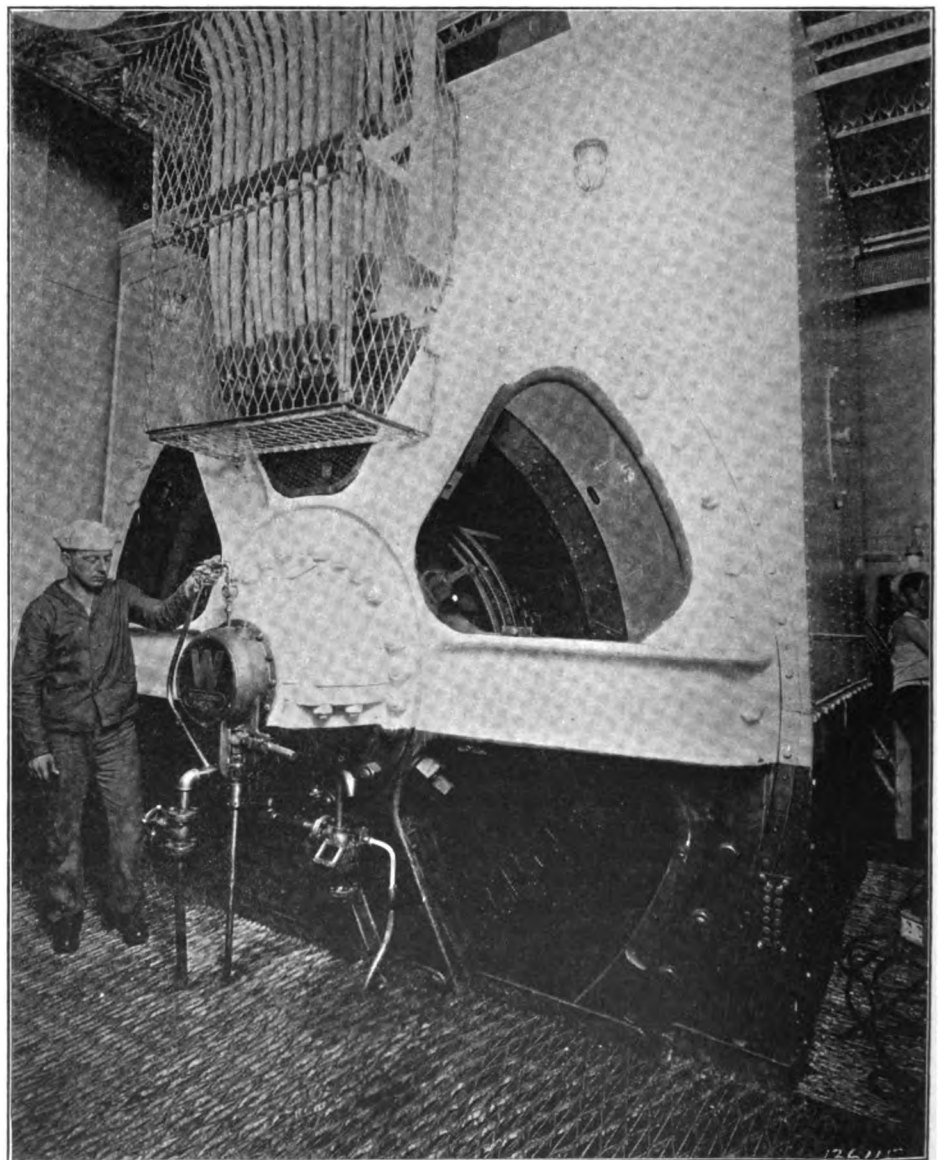
**A.** From 1790 till about 1850, the principal and most lucrative business open to the citizens of our young country was trading by sea. With the opening of the West, which began in earnest about 1850, a Merchant Marine has not been a vital factor to this country's economic development and prosperity. Our manufactured goods have been almost or quite absorbed by our own people. We have produced an excess supply of food and raw materials which has been eagerly bought by other nations. The country has prospered and has established an enviable standard of living. As a result, the American Merchant Marine, except for some coastwise shipping, languished and almost disappeared from the sea, because it was not an economic necessity. At the same time the Navy, relative to other nations, waned to a nominal force, composed largely of old and obsolete vessels. This condition lasted for nearly half a century. In the nineties, due to the foresight and vision of some of our citizens, both in and out of the Government, a start was made toward the reestablishment of our Merchant Marine and the formation of our modern Navy. The Spanish War gave a great impetus to the development of the Navy. The electric atmosphere in the world in the years just prior to the outbreak of

the World War pushed on our Naval Development. The World War itself enormously expanded our Naval Establishment and caused us to build a fleet of merchant ships second only

to that of the British Empire.

The country has embarked on a new era. Our population is growing. It has become highly industrialized. Our home markets approach the saturation point. In order to maintain our present happy standard of living, it is, and in the future will be increasingly necessary to manufacture more goods than we can absorb at home. It will be increasingly necessary to import raw materials and food. If our exports and imports in the right amount are to reach the right place at the right time, we must own and control our own ocean transport. If the sea transport necessary to move our goods is owned by our competitors, they will and must, in justice to themselves, take advantage of that fact when the pinch of trade competition comes, as come it must.

History teaches us again and again that no nation can found a great commercial sea power that will endure unless its merchant ships are supported by an adequate, efficient and



One of the four 8,000 horsepower propeller motors of the "Tennessee"

relatively powerful Navy. Spain, Holland, France and Germany are examples within the past two hundred and fifty years.

Most people think of our Navy purely as a means of National Defense. They picture it repelling the invader from our shores with shot, shell, torpedoes and mines. This picture is correct so far as it goes. National Defense is a Navy's first and most important function. The Navy is rarely, however, called on to defend the coun-

considered for three-quarters of a century, in time of peace, the funds spent in maintaining their Navy as dead-weight insurance. A necessary charge, it is true, but none the less unpleasant to pay. From now on they must consider their Navy in an entirely different light. It is and will be a positive wealth-producing national asset, which will yield a bountiful return on every dollar the country invests in it.

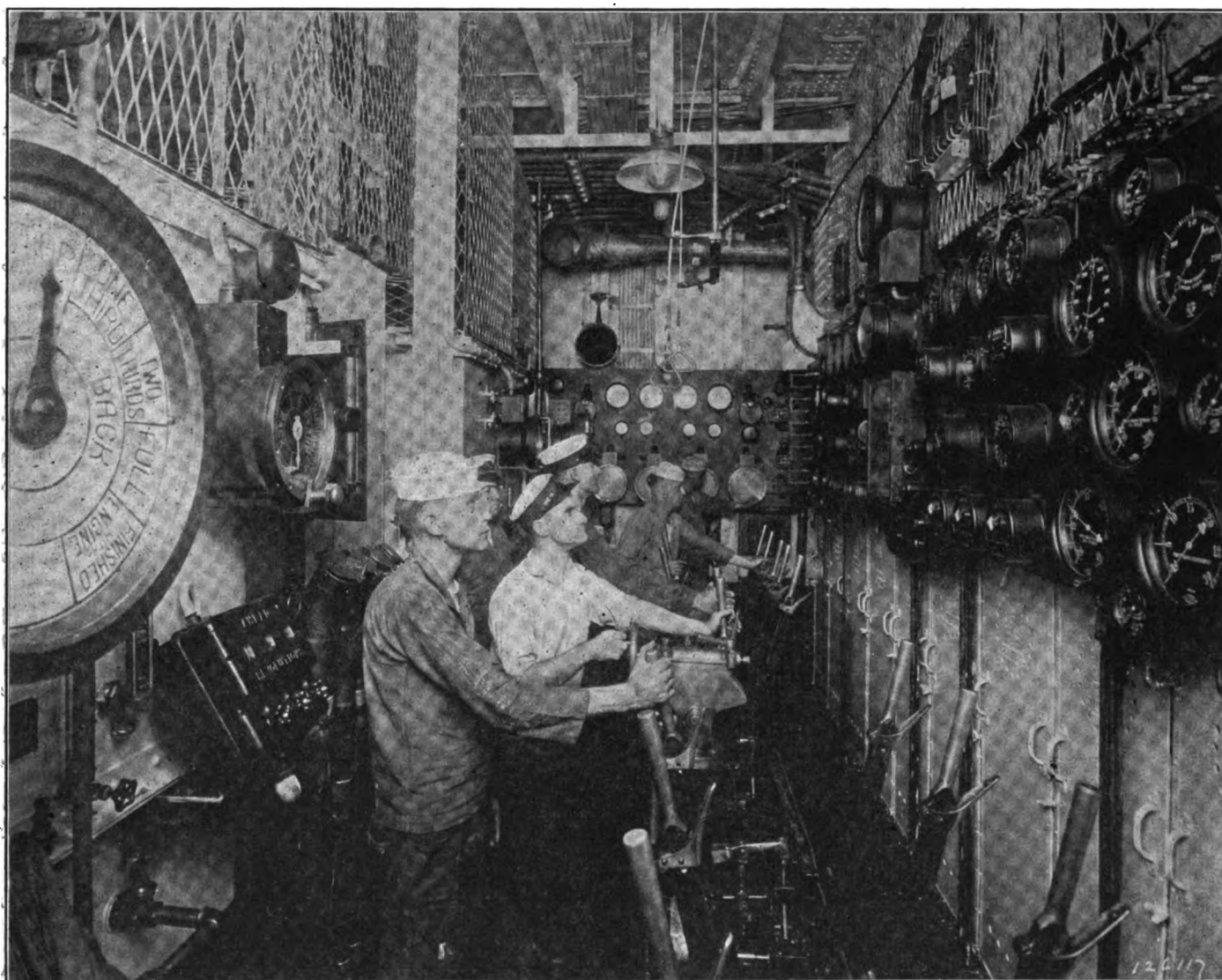
Q. What measures the power of a Navy?

be successful on the day of battle.

Q. Is the actual size of our Navy, as measured in numbers of officers and men and in numbers and types of vessels, of supreme importance?

A. The actual size of our Navy is not of first importance. The relative size of our Navy compared to the other great navies of the world, is of supreme importance. This is the basic principle underlying the Limitation of Naval Armament Agreement.

Q. What is the comparative person-



The heart of the battleship—these men move the levers that operate the ship

try more than a few months in each century. The Navy has another and very important function, which is valuable to the people every day of every year. By its inherent potentiality it confers prestige and inspires respect. It insures justice and fair treatment to those of our citizens who undertake trading ventures abroad. It enables this country peacefully to perform its legitimate business with the rest of the world without recourse to force of arms to preserve its just rights.

The people of the United States have

A. The power of a Navy is measured:

(1) By its personnel—trained officers and men.

(2) By its material—ships, both air and seaborne, guns, torpedoes and mines.

Of these two, the personnel is decisively the more important. Ships themselves don't fight. Men fight ships. To bring the personnel of a modern ship of war to the razor edge of efficiency requires not less than a year of intensive training, if she is to

nel strength of the British, Japanese and United States Navies?

A. It is a difficult matter to compare exactly the personnel strength of any two navies. The British Navy has a twelve-year enlistment. The recruits are largely drawn from seafaring communities and are men with a tradition for the sea.

The Japanese have a six-year enlistment and conscription. Their recruits are largely drawn from seafaring communities and are men with a tradition for the sea.

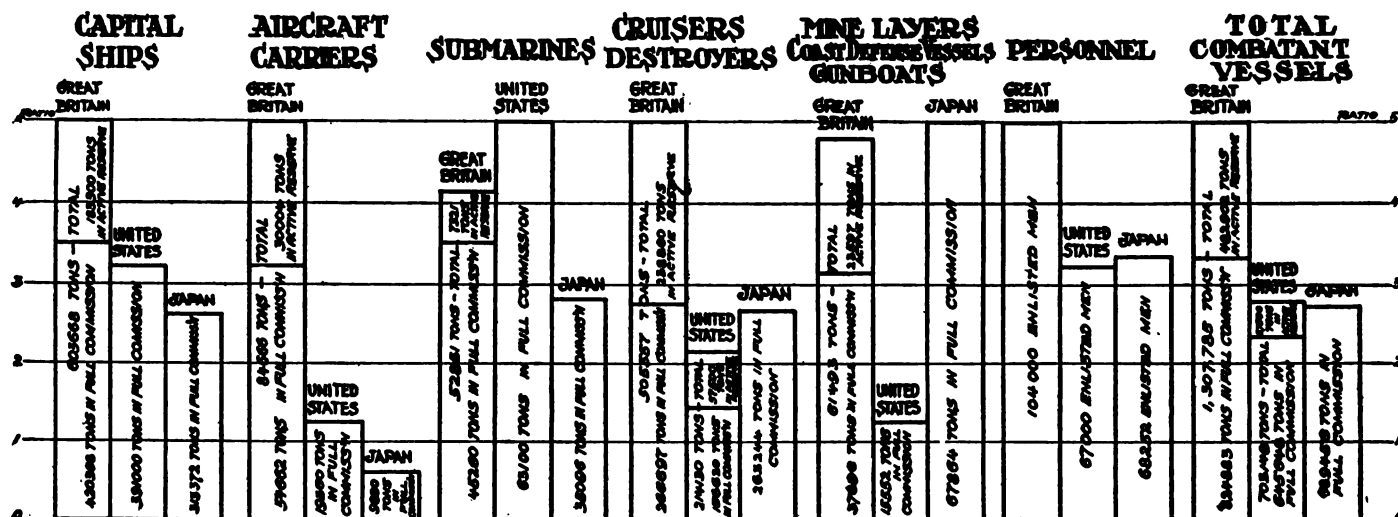
The United States has a four-year enlistment. Our recruits are largely drawn from non-seafaring communities. They must be accustomed to the simplest fundamentals of life aboard

ships before we can start making men-o-warsmen out of them.

It is plain that we must discharge more men, recruit more men and train more men and for longer times than

either England or Japan, and therefore, we need more men in the Navy to do the same work.

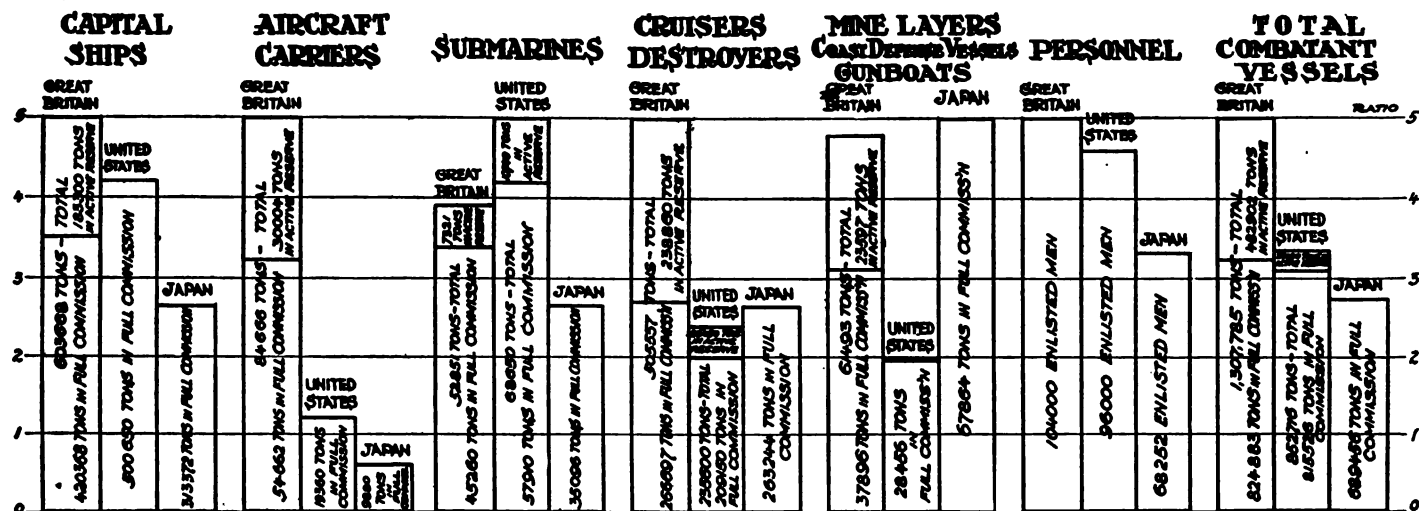
The British Navy on March 1, 1922, consisted of 111,189 officers and men.



#### WHAT THE HOUSE BILL WOULD DO TO THE NAVY

**UNITED STATES.**—Figures based on proposed distribution of 67,000 enlisted men with 47,330 at sea and 19,670 on shore. **GREAT BRITAIN.**—Figures based on latest information available (March 25, 1922) include colonial navy and one-third of enlisted personnel of the United Air Force; excludes marines, coast guard, and also naval communication service, recruiting service and the naval reservists manning auxiliary naval vessels (which latter are included in the United States total). **JAPAN.**—Figures based on latest information available (February 17, 1922). The proposed enlisted personnel is sufficient to fully man every Japanese ship built which can be retained under the treaty, every new ship which can be completed by July 1, 1922, and still leave thirty-five per cent of her total personnel available for shore establishments, aviation and training.

(NOTE.) All tonnages corrected to United States basis. Tonnage figures do not include ships in ordinary or out of commission due to lack of personnel or other causes. Ordinates represent ratios in terms of strongest unit.

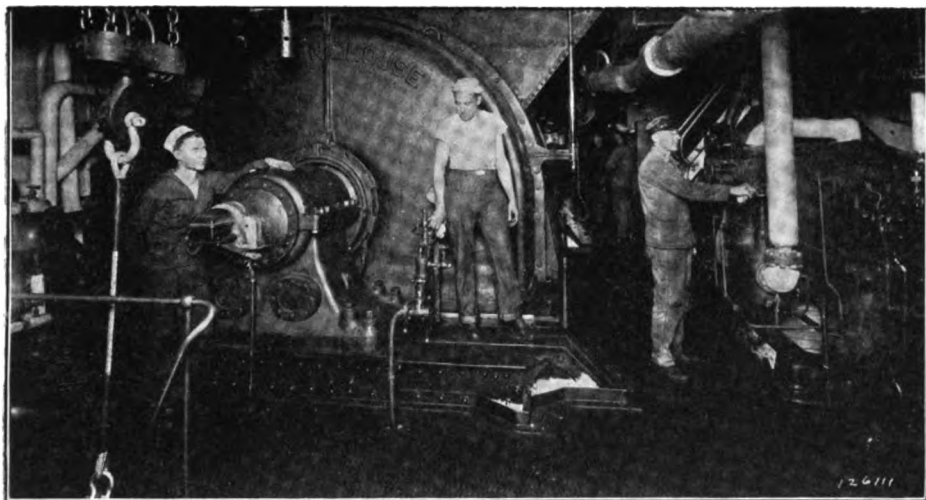


#### WHAT THE SECRETARY OF THE NAVY SAYS SHOULD BE OUR MINIMUM

**UNITED STATES.**—Figures based on proposed distribution of 90,000 enlisted men plus 6,000 apprentices in list furnished House Appropriation Committee by the Secretary of the Navy. **GREAT BRITAIN.**—Figures based on latest information obtainable (March 25, 1922) include colonial navy and one-third of enlisted personnel of the United Air Force; exclude marines, coast guard, and also naval communication service, recruiting service and the naval reservists manning auxiliary naval vessels (which latter are included in the United States total). **JAPAN.**—Figures based on latest information obtainable (February 17, 1922). The proposed enlisted personnel is sufficient to fully man every Japanese ship built which can be retained under the treaty, every new ship which can be completed by July 1, 1922, and still leave 35% of her total personnel available for shore establishments and aviation and training.

(NOTE.) All tonnages corrected to United States basis. Tonnage figures do not include ships in ordinary or out of commission due to lack of personnel or other causes. Ordinates represent ratios in terms of strongest unit.





Marvelous machinery of the "Tennessee"

This number includes all midshipmen. It does not include complements for at least 37 auxiliary vessels, which in our Navy would be manned by 4,000 regulars. It does not include the personnel of the Naval Communication Service and the Naval Recruiting Service, which in our Navy absorbs at present some 2,600 officers and men. It does not include any personnel for Aviation. The Air Force in Great Britain is separate and distinct from the Army and Navy. Our Naval Attaché in London considers one-third of the force, or 11,969 officers and men available for the Navy.

The combined Air Force of the Army and Navy of the United States numbers substantially less than 15,000 officers and men, of which about 3,800 officers and men are in the Navy. It therefore seems fair to add for purposes of comparison 4,000 plus 2,600 plus 3,800, or 10,400 officers and men to the British total of 111,189, making a grand total of 121,589 officers and men. The British propose a gradual reduction during the coming year, of this force, to a comparable total of 106,389 officers and men, or an average throughout the year of 113,989 officers and men.

The Japanese Navy at present consists of 82,340 officers and men. We have no very precise information about Japanese Naval Aviation, though we know they are spending several hun-

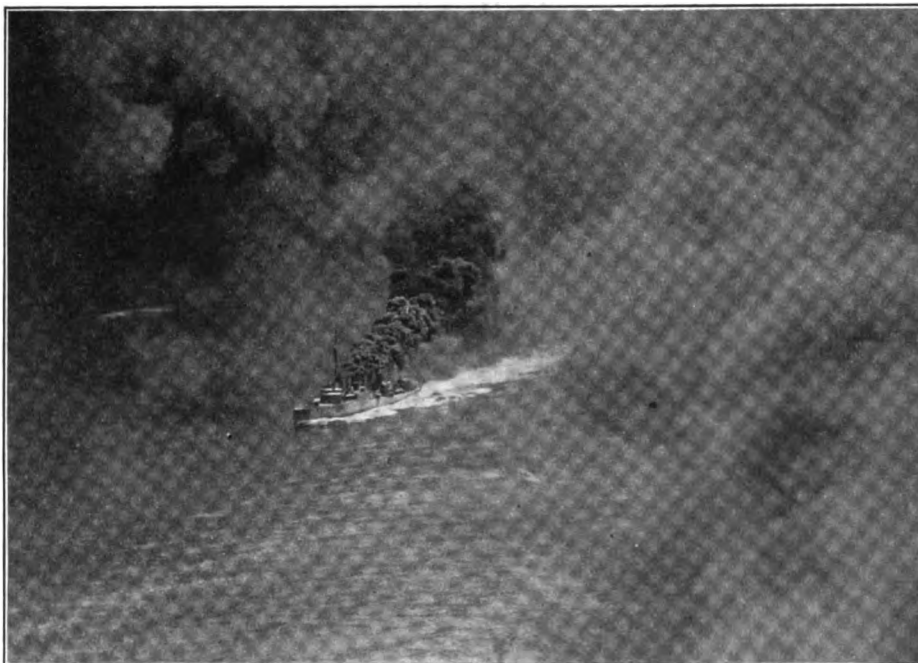
dred millions of dollars on Aviation and have a large number of British, French, Italians and Germans in their employ for purposes of instruction.

Unofficial reports from Tokyo indicate a possible reduction during the coming year to 76,840 officers and men, or average through the year of 79,590.

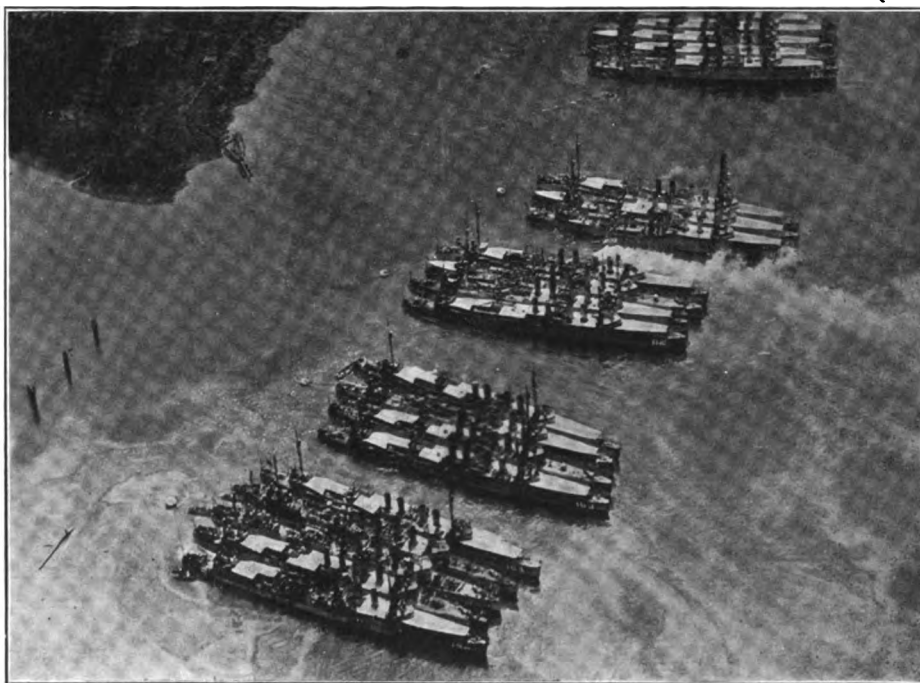
The Navy of the United States on January 1, 1922, consisted of 107,087 officers, midshipmen and men, including reservists on active duty. I have recommended to Congress that next year it consist of 105,675 officers, midshipmen and men, including 96,000 enlisted men. This number does not strictly preserve at 5-5-3 personnel ratio. It falls short by 8,500 of the British average, but is close to the British

minimum. It falls short 22,000 officers and men of the Japanese minimum. Five-thirds of 76,840 is 128,065.

The pressing need for economy in public expenditures, coupled with the beneficent world effect of the Limitation of Naval Armament Agreement, impelled me to the decision that a minimum of 90,000 enlisted men would be sufficient, provided the present authorized strength of the officers was not disturbed and



Destroyers laying a smoke screen



U. S. Destroyers in Panama Canal



the midshipmen at the Naval Academy were allowed to graduate without curtailment. The officer personnel is the brain of the Navy. It takes ten years to make a proper watch and division officer.

The strength in Marines has not been included in the above comparisons. Our Marines are used mainly for land duty, such as in Haiti, Santo Domingo, Nicaragua and Pekin. Duty of this character is performed by the Army in Great Britain and Japan, whose armies are immensely more numerous than ours. Only 1,600 Marines are serving afloat in our Navy. The British have at present 14,600 Marine officers and men. Japan has none. The United States has 21,568 officers and men.

Q. If the present world situation changed for the worse, could we not readily increase our Naval Personnel strength to meet the new conditions?

A. Not without running grave risk of precipitating war. Nothing would seem more suspicious to any other nation who might be in controversy

with us than for this country to suddenly and radically increase its Naval Personnel strength above that normally maintained.

Now, having stated the facts that the American people should know in order to view the Navy in proper perspective, it is possible to answer categorically the questions you have asked.

It has been seen that our present Naval Personnel strength does not strictly conform to a 5-5-3 personnel ratio, as compared to the Naval Personnel of Great Britain and Japan. It can, therefore, be positively stated that a sweeping reduction below the present strength would:

1. Slowly but surely exert a detrimental effect on our industry and commerce, with an inevitable reduction in the present comparatively happy standard of living of our citizens.

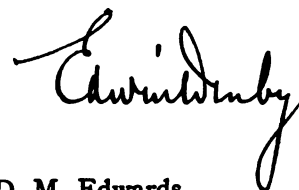
2. Exert a deadening influence on the genius in the Navy which has given so much to industry in war and in peace. Men, no matter how ardent their devotion to duty, how lofty their ideal, can-

not make bricks without straw.

3. Enormously increase the difficulties attendant on the successful development of a healthy, vigorous Merchant Marine, which inevitably would react unfavorably on the prosperity of all our citizens.

4. Place us definitely second to Great Britain and even behind Japan in naval power, if the proposals of the House Appropriations Committee to limit our enlisted personnel to 67,000 men were enacted into law. Such a sweeping reduction would confer a tremendous and unnecessary advantage on Great Britain and Japan in developing and extending their foreign trade and commerce.

Yours sincerely,



Mr. D. M. Edwards,  
Editor, AMERICAN INDUSTRIES,  
50 Church St., New York, N. Y.

## Cutting Farm Products Rates

**R**AILROAD rates on farm products and other basic commodities should be cut before the class rates are reduced, the Congressional Joint Commission of Agricultural Inquiry, of which Representative Anderson of Minnesota is chairman, declares.

Products of the farm which formerly were held in esteem high enough to buy a dollar's worth of transportation will now buy only seventy-two cents worth, the commission has concluded, hence the distress throughout the agricultural part of the country. The commission, according to the mandate of Congress, was to find out among other things the effect of railroad rates on agriculture directly, and through basic commodities used by the farmer, indirectly.

"The joint commission has decided to report to Congress," says Chairman Anderson, "that the transportation rates on many commodities, more especially the products of agriculture, bear a disproportionate relation to the price of such commodities; that immediate reductions in transportation rates should be first applied to farm products and other basic commodities; that reductions in rates upon the articles of higher value, or upon tonnage moving upon so-called class rates, are not warranted while the rates upon agricultural products and other basic

commodities remain at their existing levels; that greater consideration should be given in the future by public rate making authorities and by the railroads in the making of transportation rates to the relative value of commodities and existing and prospective economic conditions.

"We have found that freight rates on perishables normally take about one-third of the selling price and frequently two-thirds, and in periods of low prices and light demands, they constitute a heavy burden upon this traffic.

"It also appears from our inquiry that the pyramided percentage advances in rates authorized by the Interstate Commerce Commission or made by the United States Railroad Administration caused the dislocation of long standing rate relationship between rates on agricultural and industrial products and between competitive enterprises and competitive sections of the country; also, that the railroads and public rate-making bodies should seek to readjust rates so as to preserve as far as practicable the general relationship existing prior to 1918 with due regard to present and future economic conditions.

"In the opinion of the commission the producers and consumers of grain and its products should have the following advantages of transportation:

- "1. Competitive avenues of distribution through which the largest number of consumers can reasonably be reached.

- "2. Through rates from points of production to points of final consumption through two or more competitive primary grain markets.

- "3. General application of the Interstate Commerce Commission's recent conclusion applying lower rates on coarse grain than on wheat, except where rates are affected by water competition or other factors outside the jurisdiction of that commission.

- "4. Adequate and suitable box car equipment."

The Sonora Phonograph Company has added to its New York Office an Export Department, which will hereafter handle all the Company's foreign business.

This department will be under the direct supervision of Charles Arthur Richards, who was for many years connected with Henry W. Peabody & Company and Bowring & Company. During the war Mr. Richards was Director of the Bureau of Exports of the War Trade Board, and later was appointed by the President a member of that Board. He was subsequently connected with the American International Corporation.

# Convention Will Mark High Tide

*Constructive character of addresses by leaders in trade, finance, transportation and National Government will emphasize meeting of National Association of Manufacturers in New York, May 8, 9 and 10*

**M**ARKING a record point in the history of conventions of the National Association of Manufacturers planned with a definiteness of purpose, will be the twenty-seventh annual meeting of the association, which opens on Monday, May 8, at the Waldorf-Astoria Hotel, New York City, for a three days' session.

Coming at a time when business is just emerging from its two years of stagnation and deadly doldrums, there is every reason to believe that the forthcoming convention will afford a rare opportunity for the best minds in business and economics to build soundly for the future on the costly lessons of the past. And in the formulation of the three-day program this constructive idea has been kept constantly in mind.

Members of the Cabinet, of Congress, representatives of the Navy and the Shipping Board, high financial authorities, men nationally known as experts in railroad and transportation affairs, leaders of the great agricultural groups and of trade and commerce, all will mingle in active participation in the addresses and discussions which have been scheduled for the convention.

The National Administration will be represented by two members of the Cabinet and the ranking admiral of the Navy, who will discuss from the point of view of Government officials subjects of vital importance to industry no less than to the Federal Government.

Admiral R. E. Coontz, coming as the representative of the Navy and in a sense as the mouthpiece of his civilian chief, Secretary Denby, will make a very timely and important address at the annual banquet which will be the closing feature of the convention's second day. In this address he will present the situation of the Navy today as regards the effort in Congress to cut down the personnel strength to a number of officers and men far smaller than even the Conference on Limitation of Armament Agreement decided was an adequate strength for the United States Navy.

Secretary of Labor James J. Davis, who will make the principal address at the afternoon session, Wednesday, May 10, will discuss in detail the situa-

tion of labor throughout the country. His address will have an extraordinary and timely interest just at this time because of the coal strike and other disputes either pending or imminent with the prospective advent of summer.

Secretary of Commerce, Herbert Hoover will preside at and address the Trade Association Round Table on the morning of Wednesday, May 10. This round table will be a presentation and discussion of trade associations throughout the United States, their work, their accomplishments and their limitations.

The address of probably the most vital importance at this moment will be that of Admiral Coontz, because of the efforts of the House of Representatives to reduce the personnel of the Navy to proportions that are pronounced by experts to be nothing short of absurd. Admiral Coontz will explain to the manufacturers and their industrial friends why this country must maintain its Navy at least at the standard of adequacy that was deter-

mined by the Conference on Limitation of Armament, a conclusion arrived at by the foremost naval experts in the world.

Secretary Denby in his recommendations to Congress asked for a minimum personnel of 96,000 men, which, in his opinion is the smallest possible number that should be allotted to properly man the ships. The House of Representatives, in a fit of economy decided to further reduce this estimate to 67,000 men.

This number would be at least 40,000 less than the personnel strength of the British Navy and 1,000 under that of the Japanese Navy. Secretary Denby went on record with a prompt and vigorous protest at this proposed drastic cut.

While the bill was under debate in the House, John E. Edgerton, President of the National Association of Manufacturers, issued a strong statement in support of the demands of the Secretary of the Navy, in which he indicated the necessity of maintaining a navy as one of the surest and most necessary means of building up a national merchant marine. Three days later President Harding sent to Congress a message recommending that the House figures be raised to 86,000 men. This was agreed to by the House in an amendment; but now the measure goes to the Senate, where a fight is expected. Secretary Denby's efforts to maintain the Navy to at least the strength that other nations are willing to concede we are fairly entitled to will be waged until the last salvo is fired.

In his address Admiral Coontz will bring out the tremendous good the Navy will be in time of peace for the building of our merchant marine; but more than that he will show the great necessity for maintaining an adequate force to take care of ships and equipment that represents the greatest advance in the world in machinery, battle gear, scientific and nautical instruments and devices, the very deterioration of which alone would probably be far greater than the difference in cost between the 67,000 personnel grudgingly given by the House and the 96,000 minimum recommended by Secretary Denby.

Admiral Coontz by reason of his long and active service has a full

## IMPORTANT NOTICE TO MEMBERS of the NATIONAL ASSOCIATION of MANUFACTURERS

By the time this issue of "American Industries" reaches you, you will have received from the National Association of Manufacturers a very important questionnaire which calls for an immediate answer.

The questionnaire is in regard to business and industrial conditions and upon your prompt reply depends in large measure the success of one of the special sessions of the Annual Convention of the National Association of Manufacturers to be held in New York City, May 8, 9 and 10. This session will be a Business Optimism Session.

Your prompt co-operation is asked in regard to the filling out of the questionnaire.

Fill it out and mail it to-day, if you have not already done so.

appreciation of the commercial as well as the military value of an adequate Navy. His sea duty has taken him to every part of the world and his observations founded on this inclusive experience are bound to be of value to the manufacturers of the nation.

Conspicuous attention has been given on the convention program to three subjects of prime importance to American business men, three of the main sessions being devoted to a discussion of foreign trade, to business revival and to trade associations. At two of these sessions the national administration will be represented by speakers. Edward C. Plummer, United States Shipping Board Commissioner, will be the principal speaker at the foreign trade session on the opening night; other speakers being John E. Edgerton, President of the National Association of Manufacturers; F. C. Schwedtmann, A. Cressy Morrison and C. K. Anderson.

The business revival session will be held Tuesday afternoon, May 9, when leaders in industry will describe the quickening of business in their respective branches.

Secretary of Commerce Hoover will be the principal speaker Wednesday morning, May 10, at the trade association round table at which he will also preside. The session will have a timely interest to manufacturers because of the conference of trade association representatives in Washington recently called by Secretary Hoover.

The trade association round table besides Mr. Hoover will be addressed by Alfred L. Reeves, president, Trade Association Executives of New York; C. B. Heineman, Institute of American Meat Packers, Chicago; Morris L. Ernst, Counsel, Jewelers' Board of Trade, New York; Henry C. Walker, Walker-Longfellow Co., Boston; H. B. Thompson, Counsel, Proprietary Association, Washington; G. S. Lee, the Asphalt Association, New York; C. R. Stevenson, the Stevenson Corporation, New York; Charles L. Lamb, New York City; J. D. Ramsay, president, Elk Fire Brick Company, St. Mary's, Pa.

In a series of five-minute talks representatives of some of the great industrial plants of the country at the closing session, Wednesday evening, May 10, will tell how they have put the motion picture to work to help build up their business and increase their sales. This motion picture symposium will be illustrated by the showing of industrial pictures that have produced results.

#### MONDAY, MAY 8th

Opening Session: Astor Gallery, 2 o'clock P. M. (Local Time).

Call to Order; Opening Prayer. Appointment of Committees: Rules and Order; Credentials; Resolutions; Reception.

Reports of Committees and Discussion: Immigration; Industrial Betterment, Health and Safety; Merchant Marine; Patents; Regulation and Combinations; Taxation; Open Shop.

NOTE: The Committee on Resolutions may report at any time during the sessions.

Evening Session, Astor Gallery, 8 o'clock (Local Time).

#### FOREIGN TRADE SESSION

Opening Address: John E. Edgerton, President, National Association of Manufacturers, Nashville, Tenn.

Report of Foreign Trade Committee. Discussion. Address: "Relation of the American Merchant Marine to Our Foreign Trade," Commissioner Edward C. Plummer, United States Shipping Board, Washington, D. C. Discussion. Address: "The Financial Situation in Relation to Foreign Trade," F. C. Schwedtmann, Vice-President National City Bank, New York. Discussion. Address: "Advisory Committee of Manufacturers," A. Cressy Morrison, Chairman, New York. Report of Committee to study recommendations made by Ambassadors and Ministers at Conference on World Trade.

#### TUESDAY, MAY 9th

Morning Session Astor Gallery 9.30 o'clock (Local Time).

Confirmation of Committees; Report of Committees: Rules and Order; Credentials; Address of President, Mr. Edgerton; Report of Treasurer; Report of Secretary; Address: Dr. G. W. Dyer, of Vanderbilt University, Nashville; Appointment of Committee to nominate Directors-at-Large.

Afternoon Session: Astor Gallery 1.30 o'clock (Local Time).

#### BUSINESS REVIVAL SESSION

Address: J. R. Howard, President American Farm Bureau Federation, Chicago; Address: Ernest C. Trigg, President Federation of Construction Industries, Philadelphia; Address: J. D. A. Morrow, Vice-President National Coal Association, Washington; Address: Senator Walter E. Edge, New Jersey.

To be followed by the presentation of a survey of business conditions all over the country, obtained by telegrams, letters, etc., and compiled within forty-eight hours of the session, so that it will truly represent the condition of business as of this day.

NOTE: State delegations will meet during the noon recess on Tuesday to nominate vice-presidents for the respective states. Nominations must be filed with the secretary at once.

NOTE: The Committee on Resolutions may report at any time during the sessions.

#### THE ANNUAL BANQUET

Grand Ball Room, 7 o'clock P. M. (Local Time).

The banquet will be held in the Grand Ball Room of the Waldorf-Astoria Hotel, on the evening of Tuesday, May 9, at which ladies may be present.

Tickets will be \$7.50 for each person.

Members desiring tickets for the banquet will procure them at the desk in the registration office.

Seats will be assigned in the order in which reservations are received at the office, and members who do not reserve seats in advance will of necessity be obliged to take seats at tables not assigned to earlier applicants.

Addresses by Foreign Ambassadors, Cabinet Ministers, and other distinguished public men.

#### WEDNESDAY, MAY 10th

Morning Session: Astor Gallery 9.30 o'clock (Local Time).

#### TRADE ASSOCIATION ROUND TABLE

Hon. Herbert Hoover, Secretary of Commerce, Presiding. Address: Mr. Hoover. Address: "The Educational Value of Trade Associations." Alfred L. Reeves, President Trade Association Executives of New York. Discussion: Led by C. B. Heineman, Institute of American Meat Packers, Chicago. Address: "Value of Trade Associations to Administrative Agencies of the Government," Morris L. Ernst, Counsel, Jewelers' Board of Trade, New York. Discussion: Led by Henry C. Walker, Walker-Longfellow Co., Boston. Address: "The Relation of Trade Associations to State and Federal Legislative Bodies," H. B. Thompson, Counsel Proprietary Association, Washington. Discussion: Led by G. S. Lee, the Asphalt Association, New York. Address: "Value of Trade Associations to Management and Employees," C. R. Stevenson, the Stevenson Corporation, New York.

Afternoon Session: Astor Gallery, 2 o'clock (Local Time).

Report of Committee on Resolutions. Address: Hon. James J. Davis, Secretary of Labor. Election of Vice-Presidents. Report of Committee to Nominate Directors-at-Large. Election of Directors-at-Large. Adjournment.

Evening Session: Astor Gallery, 8 o'clock (Local Time).

#### INDUSTRIAL MOTION PICTURE SYMPOSIUM

Being the presentation of the industrial motion picture situation as it is  
(Continued on page 21)

# Checking Our Over-Urbanization

*One of the country's greatest needs is an era of house-building that will take part of the population away from the cities and the Department of the Interior is working hard toward that end*

*Written especially for AMERICAN INDUSTRIES*

**By the Hon. ALBERT BACON FALL**  
Secretary of the Interior

**E**NCOURAGEMENT of home building and ownership of land has been a strong policy of the Government from the inception of the Republic. The reclamation of our public lands by the Federal Government is merely an expansion of that policy.

The past century in the United States has been marked by several important economic measures affecting our domestic affairs. These include the Louisiana Purchase in 1802; annexation of Texas, 1845; establishment of American titles to Oregon territory, 1846; cession by Mexico of California and areas including Nevada, Utah and portions of Colorado, Arizona and New Mexico, 1848; the Gadsden Purchase, 1853; signing of the homestead law by Abraham Lincoln in 1862; acquisition of Alaska, 1867; and the Reclamation law signed by Roosevelt in 1902. These laws opened the door of opportunity to millions of home-makers to whose indomitable courage and industry we owe the conquest of the wilderness of the Middle West and the subjugation of vast arid and semi-arid desert. By these laws the continental area of the United States was expanded enormously.

The Reclamation Law was born of necessity. The westward march of those "conscripts of an endless quest," our pioneers, exhausted the cultivable public domain. What remained was not habitable without the construction of irrigation works too costly for individuals, and not attractive to private capital.

For a brief period the Government projects met the needs of the land hungry, and nearly half a million people are now established on the friendly breast of the reclaimed desert. By their efforts they have made the desert blossom and their success has kept alive a national desire for a home on the land. We have laid the foundations of national irrigation broad and deep. Its importance as a policy and its relation to national growth and industrial life are now a permanent part of the common stock of knowledge. The accomplishments of Federal engineers and the homemakers in the des-

ert have penetrated the slow-yielding surface of popular thought and quickened the imagination of the public. Gradually there has grown up a sentiment in many parts of the country favoring the inauguration of a reclamation policy in other than arid states, whose large areas of fertile but unused lands offer attractive opportunities for development.

President Harding in a recent address said:

"Every practical proposal for watering our arid and semi-arid land, for reclaiming cut-over forest areas, for protecting fertile valleys from inundations, and for draining the potentially rich and widely extended swamp areas, should be given the full encouragement of the Government. All this should be a part of recognized permanent policy. Not otherwise will it be possible to keep the nation self-supporting and as nearly self-contained as it has been in the past."

Our great problem, as I see it, is to check over-urbanization. Population must be redistributed so as to restore and maintain a proper balance between the city and the country. For the past ten years the increase in the number of farm homes has been disproportionate with the growth of our urban centers. City population is now growing seven and a half times faster than that of the country. These tendencies and conditions of our times, whatever may be the causes, emphasize the immediate and pressing need of a new era of homebuilding national in scope, self-sustaining and self-continuing. To this great purpose the present administration is strongly pledged. Definite plans have been worked out by those who have made profound study of the question, and measures which have my approval are now before Congress.

We are cognizant of the fact that our habitable public domain, once regarded as inexhaustible, has shrunk to a few million acres of desert wholly unfit for cultivation without costly irrigation works. The old slogan "Uncle Sam has a home for every patriot," has become a myth. We realize fully that unrest and discontent increase as opportunities to acquire homes diminish.

We must arouse to the fact that if we are to continue as a stable, self-supporting nation, we must venture forth on a new and broader policy of internal expansion. In effectuating such a policy we are fortunate in having a wealth of experience gained within our own borders, and a knowledge of the accomplishments of other nations in similar endeavors to guide us.

The difficulties ahead of us in shaping the necessary plans, though varied and complex, are really nothing to worry about. Our engineers have demonstrated their ability to remove the obstacles of nature which now close to production vast areas. Already they have transferred rivers from one ocean drainage to another, penetrated mountain masses with huge tunnels, blocked stupendous canyons with massive dams to store and harness the floods, and to make 2,000,000 acres of desert fruitful and the abode of prosperous citizens. Why, then, should we hesitate in attacking the simpler reclamation problems of regions nearer at hand?

For twenty years the Reclamation Service has been meeting and overcoming the difficult tasks of desert subjugation. It has grown into an efficient and thoroughly business-like organization functioning to-day along the lines of a great public utilities corporation, and operating in fifteen states. It is serving at the present time the important needs of thousands of people in furnishing the water without which existence would be impossible, and the power which moves the wheels of innumerable industries, lights and heats the farm and city homes, and lessens farm burdens by operating many mechanical devices. Its operations are conducted much the same as that of large private corporations with this important exception: When the present customers of these plants have repaid the Government's expenditures in construction, they become owners and operators.

The expenditures for reclamation work are to be reimbursed by the beneficiaries. No other national work is conducted on this principle. The position of reclamation engineers, therefore, is infinitely more trying and diffi-

cult than that of one whose funds are provided by general appropriations from the Government treasury in which there is little individual concern. The farmer who must pay out of his own pocket for the work done to reclaim his farm, is quick to detect inefficiency or waste, and is not slow in voicing his protest. Naturally avoidance of mistakes, keeping down of costs, and the development of economic practices are constantly in the mind of the reclamation engineer.

The public judges a utilities corporation by the character of its service, and measures its success by the financial returns to its stockholders. The Reclamation Service is willing to submit to the same examination of its performance and results.

Generally speaking, national reclamation is meeting the test of repayment. If it has to ask a loan, due to the enormous deflation in values of all farm crops and livestock, this will be only temporary and the security is ample. The investment in plant is perfectly sound. The works are of the best and will not be shut down. As security for its net investment of \$130,000,000 in engineering works, it holds a first lien on 2,000,000 acres of land the taxable value of which is estimated at \$300,000,000. During the past sixteen years less than half of this land has produced crops having a gross value of more than \$400,000,000.

Within the projects are 223 towns, and over 33,000 irrigated farms, with a total population of 450,000. There were reported in 1920, 879 schools, 649 churches, and 247 banks with a capital stock of about \$15,000,000 and deposits by 284,000 depositors of nearly \$150,000,000.

The area actually irrigated on the reclamation projects now totals 1,223,000 acres, and the gross crop production in 1919 amounted to \$89,000,000. The area irrigated is almost equal to the improved acreage of Connecticut and Delaware farms, and the gross returns from crops exceed by \$6,000,000

the proceeds from all crops of Massachusetts, New Hampshire and Rhode Island.

In addition it should be noted that the reservoirs of the Government furnish a partial, and in many cases a complete water supply for the irrigation of nearly a million acres included in private irrigation systems. These lands produced crops valued at \$64,000,000 in 1920, or three times the value of Delaware's crops in the same year.

Reclamation is the agent of immigration. It means an increasing number of small farms and comfortable homes, intensive cultivation and many

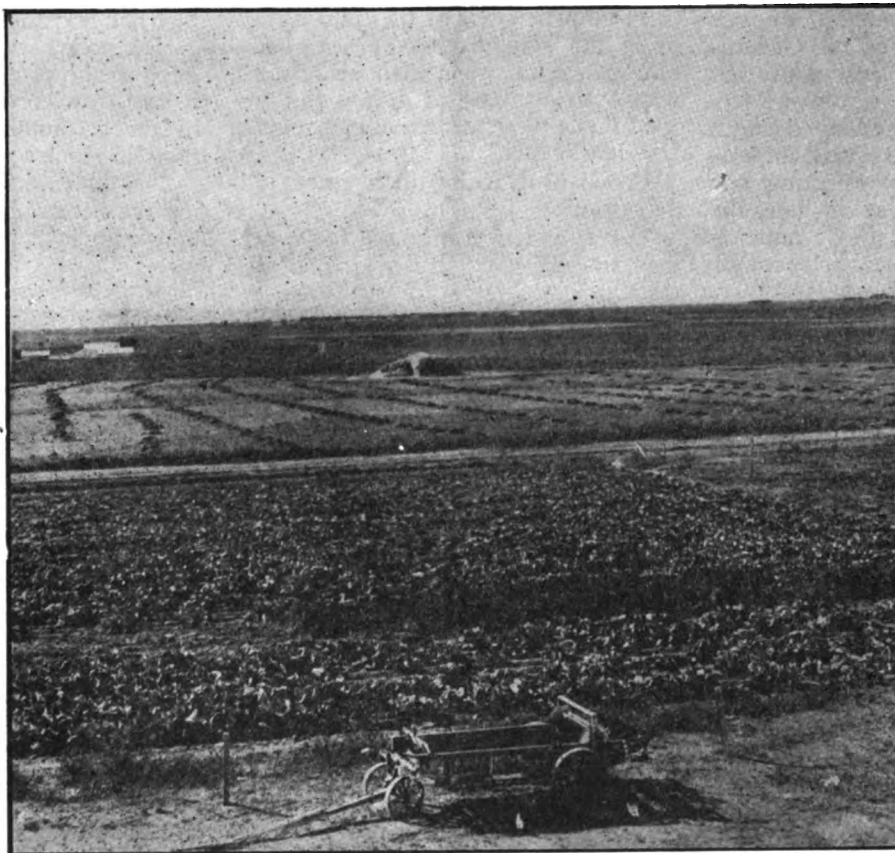
ing apparel, and other classes of manufactured goods. Very few of the irrigated crops are in competition with those of the humid states. It is not conceivable that the Government ever will be able to develop farms fast enough to depreciate the value of good land anywhere. There is therefore no warrant for fear on the part of farmers that any future increase of farms or crops brought about by Government agencies is likely to result in deflating either land or crop values. Only by the most strenuous effort, and by the appropriation of millions of dollars can we hope to satisfy the normal demand for farms, due to the natural increase of country-born citizens.

The greater portion of the land remaining to be reclaimed by irrigation and drainage particularly, lies in the South, the West and the Southwest. The crops produced from these sections enter into competition with those of the great corn-growing states to a very small degree. Where alfalfa is raised for feeding cattle, the matured cattle generally go to the corn belt for fattening, as it does not pay to raise corn under irrigation.

The proportion of rural population to the other population in this country is growing less and less all the time and

yet demand for farms is shown by the fact that Canadian Immigration Offices located in twenty or more cities or towns in the United States, have reported recently a very great deal of interest and the movement of thousands of American citizens to Canada.

In all the efforts put forth toward land reclamation first thought must be given to redeeming our pledge that opportunities to establish homes on the land shall be offered freely to those who came to the nation's defense. This is indeed a strong justification for the homemaking policy I have mentioned. The number of farm-trained veterans who seek this opportunity is large, as indicated by the applications and inquiries which have been received.



This was a cattle ranch a dozen years ago

independent owners.

Reclamation, by enlarging the boundaries of our heritage, the land, perpetuates and strengthens the institutions of our nation, and makes better conditions of living for the people. The products of fields and feed lots flow in increasing streams to consumers and manufacturers to be exchanged in part for the products of labor from mill and factory.

Reclamation enlarges the manufacturer's best market, the home market. The desert farms are remote from large manufacturing centers. Millions of dollars wrung from the desert soil are put in circulation in the purchase of autos, tractors, farm machinery of all kinds, lumber, steel, cement, wear-



The applications from some of the eastern states are as follows: New York, 9,780; Pennsylvania, 8,680; Massachusetts, 2,860; New Jersey, 2,200; Connecticut, 680; Maine, 480; Rhode Island, 400; Vermont, 320. The Vocational Board has 14,000 disabled men who, during the period of rehabilitation, are receiving training in agriculture. It is most fitting that consideration of their needs should be given. The hunger for land on the part of the ex-service men is illustrated by the reports of a recent farm land opening.

Inquiries from more than 25,000 were received, and 3,676 made applications for the 279 farms available, which included 15,733 acres. The applicants registered from 36 states, the District of Columbia, and Canada. The Government gave the ex-service men a preference right to file, but otherwise regarded them as citizens and collected full charges. In other words no gratuity was granted to the veterans.

There is one matter regarding the proposed policy of reclamation concerning which there is some doubt and not a little misapprehension, and that relates to the land the Government will reclaim. I want to make it clear that there is not the slightest chance in the world the Government will permit itself to be hoodwinked into the purchase of worthless land, or be held up by speculators. Our experts who have investigated the vacant lands in most of the states found areas adapted for agricultural development far in excess of our needs for many years. It is silly to suppose that with so much to choose from the purchase of undesirable or high-priced lands would be approved. A glance at the safeguards in the bill thrown about the purchase of any land shows the impossibility of such a blunder. In many instances it is believed that purchase will not be necessary. Many owners have indicated a willingness to offer their lands for development and accept payment on the same terms which the Govern-



Fine oats where a year ago was a lake bed

ment will be repaid by the farmer. It is anticipated that some of the states will cooperate by furnishing the lands to be reclaimed in order to control the settlement of the lands.

Irrigable and swamp lands are to be found in many favorable places. In addition there are millions of acres of cut over lands and large tracts of abandoned farm lands which may be developed as need for farms increases.

The development of the national mineral resources of the public land states under the lease law of 1920, is growing more and more rapidly and will continue to grow because of the need of oils and the coals, phosphates, potash and other minerals in the thickly settled portions of the states. In addition, the agricultural development of these states and of the south necessitates the development of minerals for the use of the new settlers, thus adding to the volume of business of the entire country.

These mineral resources have lain dormant for fifteen years or more because of the enormous withdrawals made for the many reservations. A comprehensive law is now upon the statute books under which these reservations are being rapidly developed. From this development the Government now secures a direct revenue in royalties and the people of the country generally benefit through this augmentation of our national wealth. The royalties are divided, a portion going to the states in which the minerals lay, the proceeds being devoted under the

law of Congress to the maintenance of schools and the construction of roads; a portion goes direct to the National Treasury and the remainder is devoted by law to the extension of reclamation by irrigation. It is estimated that the revenues thus derived and to be received by the irrigation-reclamation fund ultimately will amount to more than five billion dollars.

In my judgment in the extension of reclamation, particularly that by irrigation beyond the extent of projects now under construction, a system should be worked out along the lines of the rural credits through which forty years' time should be given for repayments under an amortization plan.

#### PACIFIC COAST TRADE

The San Francisco Chamber of Commerce has recently organized a Domestic Trade Bureau, and the purpose of this Bureau will be to develop trade relations between San Francisco and other cities in the United States.

San Francisco commands an extremely advantageous position with relation to Pan-Pacific commerce. Also, centrally located as it is, it is in a commanding position, so far as distributing facilities are concerned, to all United States territory west of Denver, Colorado.

This being the case, the Chamber feels there is room for a greatly intensified sales campaign in this territory by American manufacturers operating through San Francisco with its splendid railroad facilities, banking power and trading organization.

The Chamber offers its assistance to manufacturers who are not at the present time advantageously represented on the Pacific Coast and in San Francisco, or who are not represented at all in that city, and who may be interested in securing agents or establishing branches or in initiating activity along general mercantile lines on the Pacific Coast.

## *Bits of News About Men in Industry*

**J. P. MORGAN** announced on April 24 his acceptance of the invitation to participate in the meetings of the committee designated by the Reparations Commission to consider and report on the conditions on which the German Government could raise a foreign loan or loans. Mr. Morgan stated he would sail for Europe about the middle of May.

President Baldwin, of the Otis Elevator Company, stated that business for the first three months of the current year showed signs of improvement and that April business would probably be the best enjoyed by the company for several months.

**Dr. Frank Havens**, of the Atlantic Products Co., was elected President of the Philadelphia Chemical Club last month. Other officers elected were: vice-president, John Stutt, of the du Pont Company; secretary, Charles A. Wagner, of the Charles A. Wagner Company; treasurer, William Thorn, of Innes, Speiden Company.

A world-wide survey of American export markets by Assistant Secretary of Commerce Huston was under consideration on April 24, by the Department of Commerce. Mr. Huston, officials said, will leave about June 15 for Alaska and the Pribiloff Islands to inspect the seal industry, and plans are being considered for him to make his return by way of the Far East and Europe.

Necessity of stabilizing steamship service from various American ports was stressed by W. J. Love, vice-president of the Emergency Fleet Corporation, during testimony in support of the Administration Ship Subsidy Bill before the Senate Commerce and House Merchant Marine Committee on April 24. Regular and speedy movement of freight must be guaranteed exporters, he said, if they are to gain a hold on foreign markets.

Henry Ford, in an article in *McClure's Magazine* for May, tells how life on the farm drove him into making automobiles. Mr. Ford's article is called "My Life and Work."

Columbus K. Lassiter, of Richmond, Va., has resigned as vice-president of the American Locomotive Company. Mr. Lassiter, who has been with the company since its formation, relinquished the office, it is understood, to give his attention to a proposed merger of independent steel companies in which he is interested.

Fruit growers of Central Pennsylvania lost millions of dollars by the recent freezing temperature, in the opinion of Dr. H. A. Surface, president of the Snyder County Fruit Growers' Association and former State Economic Zoölogist.

William Steele & Sons Company, of Philadelphia, have construction work under way on sixteen new contracts, involving an expenditure of \$4,500,000.

This construction includes the erection of two complete manufacturing plants for the Gotham Silk Hosiery Company, for an office building for John Blood & Co., a three-story manufacturing building for the Alva Carpet and Rug Company, a hosiery mill for the Cambria Silk Hosiery Company, alterations and additions to the Market street department store of N. Snellenburg & Co., a service station for the Commercial Truck Company, a warehouse for Horace T. Potts & Co., a new power plant and alterations for the Campbell Soup Company, an addition to the plant of the Union Ice Company, completion of the Crescentville plant of the Electric Storage Battery Company, additions to the C. A. Reynolds Leather Company plant and erection of a silk-throwing mill for the R. K. Laros Silk Company, of Bethlehem.

Continued reduction of operating costs is responsible for the reopening of many more mines in California and Nevada. W. J. Loring, president, American Mining Congress, believes the industry is on the eve of the greatest activity it has known.

In Calaveras County several mines shut down many years ago have been reopened. Electric power is making it possible to work a much lower grade of ore than ever before. The Argonaut and Kennedy mines are again among the producers.

The Morning Star Mining Company is reported to have spent more than \$200,000 in the purchase of property of the Boston Consolidated Mining Company and for the building of a cyanide plant.

The threatened railway strike delayed the boom in the Katherine mines

at Kingman, Ariz. It is believed the San Francisco Curb Stock Exchange came into being chiefly to promote the exploitation of Katherine stocks. With the strike abandoned this should not now be delayed.

A new silver-gold camp in the San Antone district, about twenty-five miles from Tonopah, Nev., has been named Royston. It was recently brought into prominence by rich discoveries. The principal operating corporation is the Hudson Mining and Milling Company, controlled by owners of the Tonopah-Belmont and Walker Bros. Company.

James E. Smith of St. Louis was elected president of the Mississippi Valley Association, which at its convention in Kansas City, Mo., adopted resolutions calling for the completion of the Mississippi River development and reaffirmed the Association's indorsement of the Great Lakes-St. Lawrence waterway.

Through Joseph Connelly, Irish Consul-General in New York, an invitation has been issued to all American buyers visiting in Dublin to inspect the permanent exhibition of Irish manufactures recently opened under the auspices of the Free State in the Irish Capital.

H. H. Raymond, president of the American Steamship Owners' Association, at the Congressional hearing on the Ship Subsidy bill, April 26, recommended prompt passage of the measure. Many of the vessels of the Shipping Board which are now idle. Mr. Raymond said, would find a quick market if the bill were passed. Enactment of the bill in his opinion, he stated, would encourage many of those not now in shipping to engage in it. J. R. Howard, president of the American Farm Bureau Federation, in a telegram to President Harding, sent the same day, expressed approval of the ship subsidy bill.

Henry McIntosh, president of the Associated Advertising Clubs of the World, in a statement given out in New York April 26, declared retailers are trying to merchandise on smaller stocks than they should carry and would be able to sell more if their assortments were larger. He estimated that 97 per cent of the retail merchants are under-buying and urged that the time was opportune for manufacturers, retailers and wholesalers to "get together and learn how to do business on a falling market."

# Ship Subsidy Or The Scrap Heap?

*The lesson of history and the experience of the great maritime powers show that government aid is necessary to the upbuilding of a merchant marine adequate to commerce and national safety*

By the HON. JOSEPH E. RANDELL  
United States Senator from Louisiana

ANY limitation through international agreement in the future construction of naval vessels will render the necessity of a merchant marine and its personnel of even greater importance than it has been in the past in determining naval and military effectiveness; and without an adequate merchant marine the safety of our country might easily be imperiled. The only course open from the standpoint of national safety is to have these vessels form a part of our permanent merchant marine.

In order to insure such a marine there must be very material changes in our legislation. President Harding, in his recent message on shipping, suggested a number of measures of relief which are embodied in a bill introduced by Senator Jones of Washington.

The bill first proposes to allow the Shipping Board to create out of the sale of its assets, at the world's market prices, a fund of \$125,000,000 within the shortest period possible, and to loan this money to American shipbuilders at not less than 2 per cent interest. This feature is calculated to be of inestimable value in encouraging the construction of the higher type of vessel suitable for naval auxiliaries of which we are so sorely in need. Such a procedure was followed by Great Britain when in 1902 it loaned to the Cunard Line twelve and a half millions at 2½ per cent for the construction of the *Lusitania* and *Mauretania*. Besides this loan Britain agreed to pay to this company a fixed subsidy of £150,000—\$750,000—a year in lieu of the previous Admiralty subvention of £15,000—\$75,000.

The Shipping Board already has authority to create this \$125,000,000 construction loan fund from the sale of its assets, but at the present time it can be loaned to shipbuilders only at the rate of \$25,000,000 a year. It is sought to expedite the realization of this fund, so that a greater amount may be made available immediately for the American shipowners in giving work to American shipyards at this particular time when it is so badly needed. This is a revolving loan fund. It is not a payment outright. Sums

lent will bear interest and return that interest to the Public Treasury. It is not a subsidy; it is a business loan; the Government being protected by a first mortgage all along.

The next provision is that 5 per cent of all freight moneys shall be deductible from income and corporation taxes if such freight moneys have been paid, inbound or outbound, to American ships. This provision is proposed in lieu of the benefits which were to have accrued to American shippers from section 34 of the Jones Act, which, in effect, as we all know, allowed preferential tariffs or discriminating duties on goods shipped in American vessels. Its benefits will flow to every shipper in the United States; to the farmer, the miner, the manufacturer, the merchant, the importer and exporter.

Finally, the bill provides direct aid to our shipowners to enable them to compete with the shipowners of other countries having wage and building costs far below our standards. The expense of this subsidy is estimated at \$15,000,000 the first year, and \$30,000,000 at the end of five years, which will be about the maximum.

Fast vessels receiving the subsidy must carry our foreign mails when required, for which no payment will be made to them, but the proper credit for the service rendered will be made by the Post Office Department to the Shipping Board. This amount expended for carriage of foreign mails is estimated at about \$5,000,000 per annum.

This bill deals with American shipping as Congress finds it to-day, not with American shipping as it might have been or as many of us would like to have it. It recognizes that the laws enacted to meet the demands of labor for superior living and working conditions on American ships are on the statute books to stay. Therefore, provision is attempted to be made whereby the Government is to assume such additional burdens as its legislation imposes. Furthermore, it recognizes the fact that it is more expensive for us to break into the commercial fields now fully occupied by our competitors than it is for us to remain in those

fields after they have once been acquired.

Whatever our prejudices may be against the word "subsidy" and the policy it stands for, is there any alternative? I know of none. The United States is the only maritime country in which the question of subsidy is ever debated. It is the only maritime country that has ever hesitated to employ a subsidy policy commensurate with its means and opportunities.

Every nation in the world that has a merchant marine worth considering has in some way or another included subsidy with other forms of national aid. This is the fully established practice of all the sea-trading peoples. Would these shrewd commercial folk adopt and continue a subsidy system if it did not "produce results" commensurate with each nation's racial fitness and opportunities? Is it not quite possible that the other nations of the world in their attitude toward shipping subsidies have been right and that America has been wrong?

Let us look for a moment into the history of Government aid to the merchant marine. We all know that by common consent the American Congress in the very first law passed by the first Congress under the Constitution—a law framed by the founders of the Republic, by Washington, Adams, Madison, and Jefferson—provided the protection of discriminating or preferential duties for the young American merchant marine. We all know that under that policy in a few years, instead of carrying 23 per cent of our imports under our own flag, as in 1789, we were carrying 85 and 90 per cent in our own vessels, and that the tonnage of our overseas shipping rose with an unexampled swiftness from 123,000 in 1789 to 981,000 in 1810.

Our achievement was so extraordinary, our confidence so strong, that in the years after the War of 1812 we allowed ourselves to be tied up in commercial treaties by the clever and far-seeing diplomats of Europe, so that the discriminating duties were finally, though not completely until 1850, abandoned.

And what did the governments of

the Old World do when they had us thus bound hand and foot against renewal of the discriminating duties. These governments deliberately took up another policy, a very effective policy of steamship subsidies and subventions, begun by Great Britain in a mail subsidy of \$425,000 a year, which created the Cunard Line of trans-Atlantic steamers in 1839. Practically all of the British merchant steamship services were subsidized in those crucial years of the development of steamship building and steam machinery building.

Barred by the treaties from a re-adoption of the discriminating duties, the American Government sought to meet British competition by initiating a vigorous mail subsidy of its own. An act of Congress in 1845 authorized the Postmaster-General to make contracts with American shipowners for the carriage of mails in American-built ships to Europe.

Under our ocean mail law of 1845 and a later law of 1847 a subsidy of \$200,000 a year for twenty voyages was provided for the Ocean Steamship Co. to maintain a line from New York to France and Germany. The first line of the Pacific Mail Steamship Co. was established on the Pacific coast, and another and connecting line was established by mail subsidy from New York to the Isthmus of Panama. Moreover, excellent, though smaller, services were put upon the seas from Charleston and New Orleans to the West Indies.

In 1847 a very important contract was concluded between the Postmaster-General and the Collins Steamship Line for a service from New York to Liverpool, which was intended to be the most effective in the world. The first subsidy to that line was of \$385,000 a year—a sum, it is to be remarked, much smaller than the \$425,000 which Great Britain had paid for the establishment of the Cunard Line, with smaller and inferior steamers. Not only did the Collins company fulfill its contracts, but it even exceeded them by building steamships twice the size and of far greater speed than the Cunarders—the most powerful, swift, and efficient steamers in existence. Because of their extraordinary performances and of their higher cost Congress voluntarily increased the Collins subsidy to \$858,000 a year. At that time, or soon after, the Cunard steamers, regularly beaten by the American, voyage after voyage, were receiving about \$900,000 from the British Government.

This was the situation when the storm of Civil War began to cloud the horizon. It was not the actual fighting of the Civil War that crippled and began to destroy the American merchant

marine. Its decline had set in before the war because of the withdrawal of national aid from American shipping companies, which allowed them to be struck down by the heavily subsidized steamship companies of Great Britain.

A few brief, insufficient mail subsidies were given to American steamships to South America and across the Pacific Ocean, with scanty results because these subsidies were not persisted in as were the similar payments of Great Britain. Not until 1891 was a comprehensive shipping bill passed by the Senate of the United States, and that bill was so badly reduced and crippled in the House of Representatives that no real results were anticipated from it. That was a subsidy law, a mail subsidy law, but it was impartially upheld alike by Republicans and by Democrats.

This comparatively recent scanty mail subsidy legislation had little or no effect on our merchant marine, which had been shrinking continually from the time the broader policy of mail subsidy to American steamships was swept away in 1858. After 1860 our foreign commerce in American ships dropped rapidly from 65.2 per cent in 1861, to 26.2 per cent in 1875 to 12.8 per cent in 1890 and to 8.2 per cent in 1901.

When the World War broke out in 1914 about 9 per cent of our foreign commerce was being carried in American ships. The coming of this great conflict found us with practically no merchant marine, and it was not until 1916 that the Government, through the shipping act, showed a determined intention to put our shipping back on the seas. This was forced by the realization of the absolute necessity of protecting our country and our commerce, as well as the commerce of other nations, in view of the rapid destruction of merchant vessels by German submarines. Little was accomplished before we entered the war in 1917, however, and we were then brought to realize our helplessness and the folly of allowing our marine to fall off to the extent that we had. When the German ships were interned or withdrawn totally and the ships of the other nations were partially withdrawn, there resulted a paralysis in our export commerce which we shall never forget. A great part of our grain, cotton, meat products, lumber, copper, and manufactured goods available for export could not be moved. Our producers lost billions of dollars and our national prosperity was for a time imperiled. The resultant increase in the cost to the consumers of foreign food products, as well as to the manufacturers dependent upon essential foreign raw materials, was tremendous. The whole country felt the effect.

It is important for many reasons—indeed, it is imperative in the interest of national welfare—that the United States create and maintain a merchant marine capable of carrying not less than one-half its foreign commerce, and that at least 50 per cent of its exports and imports of every kind, including passengers, be actually carried in ships owned, operated, financed, and insured by Americans. The percentage is fixed at one-half on the assumption that our imports will about equal our exports for some years to come, and it is fair for our ships to handle an amount equivalent to the volume of our exports. We must of necessity for a long while import practically as much as we export; for most of the world is unable to pay us any money, and the only practical way to engage in foreign trade is by barter and exchange of commodities.

American ships are our delivery wagons. They belong to us. We are vitally interested in their success. Their officers and crews are citizens of the United States, who pay taxes and perform the same patriotic duties as other citizens of the Republic. Foreigners are our competitors in selling. Why should we make our business rivals act as salesmen and delivery wagons for us? Is it reasonable to expect them to work solely for our interest? Would our great merchants be satisfied to have deliveries of their goods made by their competitors?

The same principle applies on the seas. The ships of the British, our chief maritime rivals, pay no taxes in America to sustain our schools, our Government and civilization. The wages earned by English crews go to make homes in Britain, while our sailors make American homes. The earnings of British ships pay interest on capital and insurance to British companies, while our ships earn a return for American investments and American insurance companies.

A cursory analysis of trade returns shows that American shipping is not standing up under competition, and that matters are growing worse instead of better. In fact, we have now reached the point where British ships are carrying more of our trade than we are. I do not mean merely in the trade between the United States and British possessions, but between the United States and the world. The same is true of the minor maritime nations grouped together; so that out of the three groups composed of British vessels, all other foreign vessels, and American vessels, our ships are now at the tail of the procession, carrying only slightly more than a quarter of our foreign commerce. This is true of the amount of cargo carried as well as the value of that cargo.

Figures compiled by the Shipping Board show that in the last month for which I have a record—December, 1921—out of 3,505,000 tons carried in the overseas trade 1,098,000 were transported in British vessels, 1,390,000 in those of other foreign merchant marines, and only 1,017,000 in American bottoms.

We cannot, of course, expect to have all our foreign trade carried in American vessels; but we are at least entitled to one-half of it. Britain's merchant marine carries two-thirds of Britain's trade, nine-tenths of the trade of her possessions, and so large a slice of the commerce of other countries that it is estimated her ships transport more than half of the world's sea trade. She carried 36 per cent of our ocean commerce during 1921, and figures just issued by the British Government show that American vessels in 1921 transported less than 5 per cent of the seaborne trade of the United Kingdom. This is a splendid showing for Britain

and a very poor one for us.

It is manifest that we are letting our ocean-carrying trade slip away from us, and that if nothing is done to aid our merchant marine we may cut an even smaller figure on the seas than before the war, when less than 10 per cent of our trade was American-carried.

If the Government does not extend direct aid to shipping, and thereby materially encourage men to enter into the shipping business, with a reasonable prospect for earning a fair return on their investment, it will be impossible for the Shipping Board to dispose of the greater portion of its very large fleet of slow, moderate-sized vessels. Most of these ships are suitable only for the tramp service, being small to medium size, 3,000 to 7,000 tons, with a rather slow steaming radius, and not equipped to carry passengers. Vessels of this class, if given reasonable assistance, as provided in the pending bill, can operate from a number of the

smaller ports of America with a fair prospect of success, thereby establishing business out of these ports to the great benefit of the country generally, increasing the number of its ocean ports, and preventing congestion. The prospect of such a business as this conducted in smaller vessels will naturally create a demand for them, and the Shipping Board will have an opportunity to sell a great many, if not all of them, whereas without such special aid or subsidy, if that term be preferred, a vast number of these vessels will remain in the hands of the Shipping Board indefinitely, with colossal ultimate loss to the nation.

Even if a strong American merchant marine were not needed for patriotic reasons, nor for the purpose of handling at least one-half of our vast commerce, nor for use as a naval auxiliary, then we should pass this bill to create a market for the big lot of vessels now in the hands of the board.

## Ask Bank Taxation Law Change

**W**ARNING property owners in all the local tax districts in the State of the possibility of their being called upon to return \$12,000,000 in taxes paid to the local districts without objection or protest by national banks during the past two years, the State Tax Commission criticized certain national banks for their attitude on the question of taxation of their shares.

The commission placed directly upon these banks the responsibility for defeat up to the present time of needed legislation to prevent this "gross injustice" to the taxpayers of some twenty States, including New York.

Walter W. Law, Jr., president, issuing the statement for the commission, pointed out that the State itself is not directly concerned in the matter, as it is a question of local taxation. He pointed out that the commission has taken an interest, however, as the representative of all the taxpayers of the State, and "it is a matter which directly affects every property owner, as he may be called upon to make good the sums sought to be recovered by the national banks. Every State bank and trust company, as well, will be placed in an unequal position if the national banks are successful."

### Decision of Court

The situation was brought about by a recent decision of the United States Supreme Court in the case of a bank in Richmond, Va., interpreting a law passed in 1864, at the close of the

Civil War, when methods of taxation were radically different from those prevailing to-day giving the States authority to tax the shares of national banks, under certain restrictions.

"The rate of the levy and the method followed in making it," the statement says, "have been the same in this State for the past twenty years, and were originally fixed in compliance with the urging of the banks themselves. But an unlooked for opportunity has come in the Richmond decision which has been seized upon by certain New York national banks to evade their just taxes for a period of two years on a technicality which the

New York State Tax Commission believes is wholly without justice or fairness to other taxpayers or to the State banks and trust companies, which are not affected by Federal laws.

"The total of such taxes sought to be recovered amounts in this State to nearly \$12,000,000 and every dollar of it belongs to the local districts. If the efforts of the banks are successful the sums recovered, together with interest, will have to be contributed as added taxes by the remaining taxpayers of the cities, towns, villages and school districts, principally the holders of real estate, and returned to the national banks."

(Continued from page 14)

to-day, discussed from the angle of business films that have been successful, and showing a few outstanding films that have produced big business; to be followed by an hour or more of Industrial America on the screen. Presiding: Mr. Edgerton. Address (5 minutes): "What the Industries Have Lost Through Misdirected Motion Pictures," G. R. Cain, Advertising Manager Swift & Company, Chicago. Address (5 minutes): "What the Industrial Film Can Do in Producing Large Sales," Tim Thrift, American Multigraph Sales Corporation, Cleveland. Address (5 minutes): "Pictures That Produce Profits," Watterson R. Rothacker, Rothacker Film Manufacturing Co.,

Chicago. Address: (5 minutes): "How the Government Plans to Further Industry Abroad by Motion Pictures," Dr. Julius Klein, Chief Bureau of Foreign and Domestic Commerce, Washington. Address (5 minutes): "How Motion Pictures Promote Trade," C. F. Bateholts, General Electric Company, Schenectady. Address (5 minutes): "How Pictures Sell the Merchant Marine," Winfield Thompson, International Mercantile Marine.

Delegates and visitors to the convention are cordially invited and urged to visit the general offices of the Association, 50 Church street, New York City, at their convenience on Thursday, Friday or Saturday of the convention week.



# Comprehensive Apprenticeship

*System laid out with the view of definite and continuous employment and responsibility is placed in a joint trade board instead of allowing it to remain placed with an employer only*

*Written especially for AMERICAN INDUSTRIES*

By **HARDING BROWN**

**A** COMPREHENSIVE apprenticeship system, which is designed to meet the increasing need for skilled and properly trained mechanics in the Building Trades, is well under way in New York City, the movement being fostered by the New York City Section of the National Congress of the Building and Construction Industry.

The first step was made at a meeting of the Executive Board of the New York Building Congress, held January 10th last, when a general committee on apprenticeship was appointed which includes representation of investment, design, engineering, material supply, management, labor, and related interests.

After careful investigation of conditions by this committee, it was determined that the only resource for providing men better trained in the building trades and in citizenship than is possible under present day conditions lay in establishing a thorough and sound system of instruction based on apprenticeship principles.

The general committee on apprenticeship then created an executive committee from its membership which consists of six members, two of whom represent employers' associations, two represent labor unions, and two, related interests.

Burt L. Fenner, of McKim, Mead & White, Architects, is chairman of the Apprenticeship Committee and he is being assisted in the Executive Committee by Clarence S. Stein, Secretary; Architect, Dr. John L. Elliott, Director Hudson Guild; Ronald Taylor, of the Ronald Taylor Co., Inc., Cement Floor Contractor; M. F. Westergren, of the M. F. Westergren Co., Inc., Sheet Metal Contractor; Roswell D. Tompkins, General Secretary, and John Halkett, Member of the Executive Board, of the N. Y. District Building Trades Labor Council.

The service is rendered through a headquarters office, which is in charge of a specialist on apprenticeship, Frank L. Glynn, employed as such by the Congress. This office conducts the business of the Committee, gathers information necessary for decisions, and

carries out the policies and development determined upon.

The direct management and operation of the movement is provided for in the establishment of a general Board with equal representation from the Building Trades Employers' Associations, and the Building Trades Unions, to be jointly financed by employers and labor.

This committee shall have the authority and necessary funds for the employment of such assistants as may be required to devote their entire time to this field.

These assistants will then establish standards and carry on the operation of the work through the Joint Trade Boards now existing in each trade and composed of an equal number of representatives from employers and labor engaged in that trade.

Through each Joint Trade Board rules will be adopted for the trade that it represents covering the following:

1. Enrollment of the apprentice with the Joint Trade Board.
2. Identification for apprentice in trade or at work.
3. Probationary period of apprentice before being finally accepted.
4. Maximum and minimum age for apprentices.
5. Term of apprenticeship.
6. Division of apprenticeship into periods of advancement.
7. Periodic examination of apprentices.
8. Granting of advanced credit to apprentices for previous experience in the trade.
9. Transfer system for interchange in employment.
10. Apprentice wage by periods: At work; in school.
11. Overtime work limits.
12. Hours per week: At work; in school.
13. Determination of time for school attendance.
14. Enforcement of school attendance: By employers; by unions.
15. Apprentice fees or dues.
16. Determination of apprenticeship classification for the trades within the jurisdiction of the Joint Board.
17. Statement of trade processes to

be taught apprentices in each such classification: At work; in school.

Note:—The apprentice must have the opportunity provided for him to obtain all-around experience while he is at work.

18. Approve courses of study to be taught apprentices in school instruction including technical studies related to the trade in which they are employed and training for citizenship.

19. Supervision of apprentice: At work; in school.

20. Periodic reports on apprentices to Joint Trade Board: From work; from school.

21. Regulation of adjustments: For employer; for apprentice.

22. Minimum ratio of apprentices to journeymen.

23. Approval of employer indicating: That his work is sufficiently varied and equipment sufficiently complete to give the apprentice the required diversity of trade experience to cover his trade classification. His ability to provide continuous employment to the apprentice during his apprenticeship period subject to conditions not under his control.

24. Special regulations as may be necessary.

25. Agreement by apprentice to abide by rules established.

26. Granting of diploma upon the termination of apprenticeship.

27. The definite provision of classes in school for the instruction of apprentices.

One of the serious obstacles in the development of the apprenticeship in the building trades in the past has been the seasonal or intermittent employment. Experience has shown that where apprentices have entered the building industry, they have often drifted into other occupations during dull periods in building. They are attracted by steady employment and immediate returns rather than by an appreciation of the ultimate advantage of thorough training in a skilled occupation. Later as citizens their earning power in the juvenile pursuit is not sufficient to provide for living costs that have accumulated with larger responsibilities. The work they have

followed cannot pay any higher income so that they are released and replaced by another youth at lower pay. Thus the state and the community has many added to its list of unemployed.

On the other hand what has the trade itself done to attract the young American of to-day? What opportunity or protection has it offered him? What assurance has he had that he could rise above the laborer or the specialist—again finding himself out of work—while the employer has to employ a number of specialists to do the work that one man should be trained and able to do, knowing the trade in its entirety.

In our plan we offer a definite assurance of continuous employment and place the responsibility with the Joint Trade Board in each trade instead of being satisfied with placing it with an employer only. Lodging the collective effort and duty with the Joint Trade Board to see that employment is not interrupted offers far greater assurance of security to the apprentice thereby distributing the burden over the entire trade instead of resting it only with an individual.

The general policy of the entire plan is to have the trade processes taught to the apprentice "on the job" instead of trying to house the trade conditions in a school building. He will work regularly under actual trade conditions, with actual trade surroundings and associations.

A part of his employment time or evenings will be devoted to his theoretical or technical instruction. The studies related to his trade and training in citizenship will be taught in the continuation or evening division of the public schools and will be paid for out of public funds. If, however, the proper kind of relations cannot be established with the public service through mutual partnership, then other existing educational facilities will be used or established by the crafts themselves.

That the movement is making definite progress is shown by the fact that the foregoing has already been officially endorsed by the New York Building Trades Employers' Association and the New York Building Trades Labor Council for operation in the Metropolitan District.

The Committee on Apprenticeship of the Congress is now developing a definite plan for apprenticeship in the woodworking trades covering carpentry, cabinet-making, parquet floor, cement form, and metal covered door and window work.

The standards for this division of the Apprenticeship System have been established on a tentative basis in cooperation with the Division of Vocational and Extension Instruction of

the New York State Department of Education.

Mr. Fenner, Chairman of the Committee, Mr. Glynn, Educational Advisor to the Congress, and Eugene D. Fink, of the New York State Department of Education, appeared before the Carpenters Joint Committee on Trade Agreement, Friday evening, March 31st, when the plan as amended was approved and referred for action to the various organizations represented, with the recommendation that it be adopted and that the Committee of the Congress be authorized to proceed with its establishment through the various Joint Trade Boards of Arbitration and Conciliation involved.

With the establishment of the General Joint Apprenticeship Committee it is proposed to take up each trade division of the Building Industry and similarly establish a comprehensive Apprenticeship System for each division through the Joint Trade Board representing it.

Up to recently our American industries have been recruiting skilled labor from European countries. Previous to fifteen years ago such practice was productive of the best kind of results be-

cause persons entering this country came largely from the western portion of Europe with an average of only one per cent of illiteracy and a highly developed trade training derived from the apprenticeship in the mother countries. Recently, however, our source of supply has been from southeastern Europe with an illiteracy of 36 per cent and no training for industrial production. Consequently, our productive ability of skilled labor has declined accordingly and our spirit of American citizenship has been seriously affected by the many associate interests involved that thrived on the ignorance of the laborer.

In the meantime our young American youth has been aiming entirely at the professions and his failure to reach the goal has filled our ranks with fine young material that "can do nothing."

Is it not time that we take account of our human resources, give our young American a chance, recruit our labor by producing it ourselves, placing the burden on industry to maintain and develop it in the interests of a high standard of American apprenticeship and opportunity for training and production.

## Labor Officials' Convention

**T**HE Ninth Annual Convention of Governmental Labor Officials of the United States and Canada will be held in Harrisburg, Pa., May 22 to 26. Clifford B. Connelley, Pennsylvania Commissioner of Labor and Industry, has invited labor commissioners of the United States and Canada, seventy-five in all, to attend in the hope that a convention of commissioners may be held in connection with the main convention. The purpose of this conference would be to seek unification of administrative policy such as resulted from the meeting of governors of various states in Harrisburg two years ago.

The annual meeting of the Department of Labor and Industry, which will be held at this time, will include such group sessions as were found at the Industrial Relations Conference last October, including safety engineers, the Advisory Council on Women and Children, the Boiler and Pressure Vessel Inspectors' Association, and the Industrial Editors' Association.

Sessions on child welfare, inspection, safety and sanitation, employment, mediation and conciliation, workmen's compensation, medical

supervision, rehabilitation and minimum wage and hours are provided for on the tentative program of the Governmental Labor Officials Convention.

A large delegation of labor officials representing the Federal Government on problems of nation-wide importance is expected to attend the convention, besides the state officials, and an attendance of at least 1,000 persons is anticipated.

The officers of the Association of Governmental Labor Officials are: President, Frank E. Wood, Commissioner of Labor and Industrial Statistics, Louisiana; First Vice-President, Dr. C. B. Connelley, Commissioner of labor and Industry, Pennsylvania; Second Vice-President, Miss Ethel M. Johnson, Assistant Commissioner of Labor and Industries, Massachusetts; Third Vice-President, H. M. Stanley, Commissioner of Labor, Georgia; Fourth Vice-President, Francisco Varona, Director of Labor Bureau, Philippine Islands; Fifth Vice-President, J. N. McLeod, Chief Inspector, Calgary, Alberta, Canada; Secretary-Treasurer, Miss Linna E. Bresette, former Director of Women's Work, Court of Industrial Relations, Kansas.

# AMERICAN INDUSTRIES

D. M. EDWARDS, EDITOR AND MANAGER

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## MAINTAINING A NAVY FOR PEACE

By JOHN E. EDGERTON  
President National Association of Manufacturers

The manufacturers of the country have a very real interest in the Navy. They are familiar with its invaluable services in peace no less than war, for trade follows the Navy and always has. Without an adequate Navy, no power has developed a merchant marine capable of delivering its own goods to its own customers throughout the markets of the world. Naval and mercantile power rise and fall together. Without the first the second never develops, and if the second is not maintained the ship building industry declines and decays and we are without means of developing our merchant marine or in time of necessity expanding our Naval establishment.

Until the Conference on the Limitation of Armaments we might differ among ourselves as to what constitutes "an adequate navy, but now relative naval strength has been determined in the Conference of the Powers. We are now confronted by a conflict of opinion between part of a Committee of Congress and our Naval establishment as to whether that Committee's proposal permits us to sustain our naval ratio, for, surely our people will not

permit it to be lost. I must confess that in such a disagreement I believe the manufacturers of the country must accept the judgment of naval experts rather than that of legislators of limited experience, since the naval authority which informs us that the severe restriction proposed to be placed upon the personnel of the Navy reduces our ratio not only below that of Great Britain but even that of Japan, is the same expert testimony upon which the negotiations and conclusions of the American representatives to the Armaments Conference were predicated. The testimony that guided the President and the four representatives of our people is the trained judgment of technically qualified officers of high ability and life-long experience upon whom devolves the high responsibility of Naval Defense. To surrender their opinion to that of a committee with a temporary relationship to the subject is to question the whole value of our Naval establishment.

To preserve in the highest efficiency the Treaty Navy is a public duty of the first responsibility. To accept the judgment of those who framed that ratio in the light of their high qualifications and experience is to accept the most practical guide we possess. To surrender the ratio to our own disadvantage is to write a new treaty in terms which, had they been proposed or accepted by the American representatives at the Conference, would have met with national condemnation.

## INDUSTRY'S TOLL TO ILLNESS

CASUAL figures used in a special or isolated instance are rarely impressive. Even the most ardent statistical mind will receive rather a languid impression from a statement of the percentage of illness among the employes of a given industrial plant, or even of a given industry.

But when these figures are massed the result is frequently so stupendous as to stagger the imagination. Thus, we are hardly thrilled by the computation of a large Western corporation employing continuously 1,282 office workers that the average clerk loses 8.15 days a year through illness.

But when we are told that the 42,000,000 men and women workers

employed in the United States probably on the average lose more than eight days a year and that these massed losses total 937,808 years in one year, we get a realization of the annual toll industry pays to illness.

The estimate made by the Federated American Engineering Societies of a total number of 342,300,000 days lost annually by the 42,000,000 workers furnishes an interesting comparison with the estimated age of mankind, which, of course, varies according to the individual reading of the "record of the rocks" by scientists. The first type of man appeared on the earth a quarter of a million years ago, according to the estimates of one scientist, a period of time only a small fraction of that lost each year to capital and labor, too.

Man has progressed a long way in 250,000 years, but any situation where in a year he suffers through illness a loss of nearly four times that number of years, is in the nature of an indictment of his mastery of disease and his claims of efficiency.

However, it needs no statement of the situation in terms of comparative figures, interesting as they may be in a speculative way, to show that the annual loss through the workers' illness is stupendous, a loss that is laid on employer and employe, personal savings and on the national wealth.

## TREATING INDUSTRIAL CASUALTIES

OUT of the waste and destruction of the World War came many lessons of value to humanity. That this was so is further evidence in support of the law of compensation that Emerson has made familiar. Not the least valued thing taught by the war was the quick and effective treatment of the wounded, and in that war wounds more horrible and desperate than were known in any prior war were the rule. The suggestion of Dr. Joseph A. Blake that the methods developed by the army for the treatment of the wounded be turned to good account in the treatment of industrial casualties, is one deserving of most careful consideration.

About one million persons a year are injured while at work in the United States, Dr. Blake asserts, of which vast number only a small per-

centage obtain the best medical attention. Injuries and deaths from machinery and occupational maladies reach a staggering annual total, and the enactment into law by forty-four states of the union of workmen's compensation acts, has been the result of an effort to counteract these losses.

The workman was thus relieved of the common law tenet that he must bear the risks of his trade, for these laws repealed that doctrine. In case of injury, it was provided, the employe should be compensated by his employer in a sum according to the degree of his disability. These payments reached as high as 50 per cent of the employe's wages in some cases. Medical attention to the injured employe also is provided by most of these compensating laws.

In any study of Dr. Blake's proposal the work done by the Reconstruction Hospital in New York is an excellent example of what may be done on a large scale in every great industrial community to combat the suffering and the national loss that are due to these peace casualties.

### CURBING THE MOTORISTS

IT is hard to see any real measure of relief from the recklessness of automobile driving in the measure that has just been put into effect in New York City, which makes a distinction of a few miles between the rate of speed at which a commercial vehicle is allowed to travel and the speed at which passenger cars may run. This is an attempt in the right direction; but it is drawn too tight to produce practical results.

The great trouble about the recklessness of motorists is that they have very little fear of the law. They see thousands of violations and even crimes committed, and nothing done about them. Seldom, nowadays, is the driver arrested, even after a person has been run over and killed.

We believe there should be a tightening up in the way offending motorists are treated by the police and by the courts rather than by expecting to accomplish wonderful results in so slight a differentiation of three miles in the matter of speed between commercial and passenger cars.

Not all of the culprits are drivers of trucks.

### COME TO THE CONVENTION

THE Annual Convention of the National Association of Manufacturers is now only a week away.

Remember the time—Monday, May 8, Tuesday, May 9, and Wednesday, May 10.

Remember the place—The Waldorf-Astoria Hotel, New York City.

Cabinet members, high officials of the Government, ranking officers of the United States Navy, officials of the United States Shipping Board and other prominent men will make addresses during the various sessions of the meeting. There will be outstanding sessions on Foreign Trade, Business Optimism, Trade Association Activities, Motion Pictures as Sales Promoters and the Annual Banquet which is always graced by prominent public men.

Remember the time and place and be sure to be in attendance.

Bring a friend; bring two friends!

Bring a member; bring two members!

Bring a non-member; bring two non-members!

Bring your wife; bring all the wives!

### FIRE FIGHTING OF THE FUTURE

IT is only within the last few years that the fire departments of the great cities passed from the day of horse-drawn fire fighting equipment to that of automotive engines, trucks, reels and other apparatus that go to make up the most modern gear. Many persons who could not resist the lure of watching the machines go by—and who is there who can resist it?—had a sentimental regret at the passing of the splendid animals that drew the shrieking engines through the streets in a thrilling race to the fire. With the exit of the fire horse much of the romance and thrill of the department seemed to have departed.

The supplanting of the horse by the automobile was the triumph of modern methods and, of course, has operated immensely to the benefit of the cities using them. But the modernizing of fire departments has by no means reached its apotheosis and the department of a decade hence may bear but slight relation in methods and efficiency to to-day's proudest.

John Kenlon, fire chief of New York City and for thirty-five years in the business of fighting fires, pictures the fire department of the future as

mounting its engines on the roofs of buildings, dropping fire extinguishing gas bombs from helicopters, and sending its alarms of fire by radio.

Chief Kenlon is eminently practical, as is necessarily the case with anyone who has made a life occupation of any one thing. There are few visionaries among the ranks of those who accomplish things. Therefore his speculation as to the department of the future may reasonably be regarded as realizable in the not too distant future.

It took a frightful war with its development of frightfulness to the limit to demonstrate the possibilities for utility and power of gases and chemical liquids. The ingenuity that was turned to the business of destruction of life and property may now be turned to the humane task of saving life and property. It may be that the great buildings of ten or twenty years hence may have their sprinkler pipes filled with a gas that will extinguish flames without damaging the building or its contents.

### TO DECENTRALIZE THE I. C. C.

SHIPPERS throughout the country, whatever may be the commodity they handle, will be vitally concerned in a recommendation for virtual decentralization of the Interstate Commerce Commission. This would be attained by the creation of regional departments of the Commission, to adjudicate controversies more expeditiously, and the forthcoming report of the Congressional Joint Commission on Agricultural Inquiry will recommend it, according to Chairman Sidney Anderson.

While the proposed regional departments would devote time for the most part to hearing and adjusting differences, where final decisions were necessary, as between litigants, the record would be passed, to the main body of the Commission in Washington.

As an advantage in the proposed decentralization, Chairman Anderson's statement cites that the necessity of traveling to Washington and paying for the preparation and presentation of cases there militates against adequate consideration of matters only of importance to interested parties, while it is not a burden on more highly organized industries maintaining adequate traffic departments.

# The Foreign Trade Convention

**F**INANCING and expanding foreign trade will be the central theme of the Ninth National Foreign Trade Convention, which will meet in Philadelphia, May 10th, 11th and 12th. At the sessions in the Academy of Music and at the convention headquarters in the Bellevue-Stratford several thousand leaders in the industry, commerce and finance from all parts of the United States and from many foreign countries will concentrate on this big problem whose practical solution will result in putting to work our idle plants, idle ships and idle men.

The convention's work will be done in the general and group sessions. The latter will cover every specific phase of foreign trade conditions and the problems affecting the individual manufacturer and shipper. James A. Farrell, President of the U. S. Steel Corporation, will call the Convention to order on Wednesday, May 10th, at 10 A. M., and will turn the gavel over to Alba B. Johnson, President of the Philadelphia Chamber of Commerce, who will be the presiding officer at the meetings. The first important paper of the Convention will be on "A Foreign Loan Policy That Will Enable Idle Factories to Get to Work." Among the speakers will be Julius H. Barnes, President of the Barnes-Ames Company, New York, and Chairman of the U. S. Grain Corporation during the war, on "A Practical Method of Putting our Surplus Gold to Work in Financing Foreign Trade." At the second general session in the afternoon, Charles M. Muchnic, Vice-President, American Locomotive Sales Corporation, New York, will discuss "The Factor of Depreciated Currency in Competition," and will be followed by James S. Alexander, President of the National Bank of Commerce, New York, on "Why We Must Have Foreign Trade."

At the conclusion of the afternoon session the delegates will go aboard a steamer, the city's Delaware water front will be shown to them, and they will have an excellent opportunity to acquaint themselves with the marine and rail facilities of Philadelphia.

The Export Managers' Club of New York, will give a dinner in the evening.

Important features of the third general session, Thursday forenoon, will be addresses: "The American Merchant Marine," by William J. Conlen, of Philadelphia, an authority on maritime law; "The Dependence of Our Foreign Trade on Improvement of

Our Internal Water Ways," by W. H. Stevenson, of Pittsburgh, President, Lake Erie and Ohio River Canal Board of Pennsylvania; "Shipbuilding Prospects," by J. L. Ackerson, Vice-President Merchant Shipbuilding Corporation, Chester, Pa., and under the head of "Marine Insurance—Factors in Rate Fixing," by Charles R. Page, manager Fireman's Fund Insurance Company, New York.

The American Manufacturers' Export Association will give a luncheon at 12.30 p. m., and the Trade Advisers a dinner at 6.15 p. m.

At the fourth general session, Friday morning, James A. Farrell, Chairman of the National Foreign Trade Council, and President of the U. S. Steel Corporation, will deliver an address "A Foreign Trade Policy for Americans," and Fred I. Kent, Vice-President, Bankers Trust Company, New York, will discuss "Factors That Will Help the Exchange Situation."

Group sessions will be held afternoon and evening in the Bellevue-Stratford Hotel. The subject of the first of the two group sessions, Wednesday evening, will be "Public Education for Greater Foreign Trade." "Foreign Trade Instruction in Public Schools" and "Teaching Economics in Public Schools" will be the subjects of addresses, respectively by Wallace W. Atwood, President, Clark University Worcester, Mass., and by R. A. S. MacElwee, Dean of the School of Foreign Service, Georgetown University.

At the second group session "Banking Facilities for Foreign Trade" will be discussed. T. P. Alder, of New York, Treasurer U. S. Steel Products Co., will deliver an address on "Letters of Credit and Necessary Changes in Practice," and Wilbert Ward, of New York, Chairman Commercial Credit Committee, American Acceptance Council, will speak on "Uniform Commercial Credit Instruments."

Group three will be devoted to "Problems of the Export Manager," and will be in coöperation with the Export Managers' Club of New York, the session topic being, "What Method of Price Quoting Will Get Most Orders." These addresses will be: "Advantages of Quoting Net Prices in Dollars, F. O. B. Factory," "Advantages of Quoting Discounts in Foreign Currencies, C. I. F."

The second day's group sessions will be devoted to "Ocean Carriage," "Export Sales Promotion," and "Market Conditions Abroad." Under the

head of "Ocean Carriage," the topics and speakers will be: "Vital Points in Marine Insurance Policies," W. H. Laboyteaux, of Johnson & Higgins, New York, "Importance of The Hague Rules to American Foreign Trade," Charles S. Haight, Chairman Bill-of-Lading Committee, International Chamber of Commerce, New York; "The Shipper's View," C. B. Heinemann, Chairman Bill-of-Lading Committee, National Industrial Traffic League; "The Carrier's View," Captain W. H. Stayton, President Baltimore Steamship Co., Baltimore.

In the session devoted to "Export Sales Promotion," Stanley G. Flagg, Jr., Philadelphia, "Lessons of the Last Year"; J. W. Mason, Vice-President, American Surety Co., New York, "Bonded Service as a Selling Argument"; and C. E. Staffey, General Sales Manager National Cash Register Co., Dayton, O., "Service as a Sales Promoter."

Group Six will devote its session to intensive study of "Market Conditions Abroad," with these speakers: C. S. Warren, Foreign Sales Manager, Remington Typewriter Co., New York, "European Business"; F. DeSt. Phalle, Vice-President in Charge of Sales, Baldwin Locomotive Works, Philadelphia, "South American Business." The address on Far Eastern Conditions will be announced later.

Simultaneously with the group sessions, the Trade Adviser Service, one of the most important features of the Convention, will be carried on at the Bellevue-Stratford. More than one hundred men of wide experience in foreign trade will be at the service of the delegates in solving their individual problems and in giving authoritative information on trade conditions abroad. A number of representatives from the Department of Commerce at Washington will also assist.

At the banquet Friday evening, at the Bellevue-Stratford, which will mark the close of the Convention, Governor Sproul, of Pennsylvania, will deliver the address "Foreign Trade and Domestic Prosperity."

A special exhibit of advertising is being prepared for the Convention by a committee from the Association of National Advertisers. This display will include examples of publication advertising, direct advertising by printed matter, house organs, outdoor and street car advertising, window and store displays, dealer helps, packages, containers and labels.



# \$35,000,000 Yearly To Check Raisers

*Stupendous sum taken by forgers and others by altering paper and the tremendous increase in the use of checks is accompanied by a battle between science on the side of law and criminal cunning*

*Written especially for AMERICAN INDUSTRIES*

By **BURGESS SMITH**

Formerly Inspector of Technical Work, United States Bureau of Engraving

**T**HE present crime wave in New York City has taxed the ingenuity of those charged with public safety as never before. The police have had to deal with a new type of criminal, who lacks all regard for human life and is decidedly bolder and more daring than his predecessors. Of this modern school the vast majority are mere youths. Joab H. Banton, District Attorney of New York City recently estimated that 80 per cent of the present-day bandits are under twenty years of age, and he thought it would be conservative to say that 70 per cent have not passed their eighteenth birthday.

In spite of precautionary measures taken by the police, America's greatest financial center is still shaken by the series of violent robberies and hold-ups that have been accompanied by brutal shootings and stabbings. And meanwhile the ever-critical public has grown more and more impatient. Naturally there have been innumerable suggestions as to the most effective means of putting an end to this defiance of law. The majority of these suggestions have been of the most obvious type, such as enlarging the police force and avoiding keeping large sums of money in cash drawers. Of the vast number of remedies offered

however, there has been one with an element of newness. This comes from John F. Hylan, New York City's mayor. Put simply, Mayor Hylan's suggestion, which was passed on to Police Commissioner Enright, is one that has an element of originality and practical worth.

New York City and Chicago officials have suggested that wherever practicable employers meet



Burgess Smith

their payrolls with checks instead of cash. In thus endeavoring to eliminate payroll banditry, the mayor probably had in mind the huge sums of money that this form of crime is to-day exacting from the public purse. A similar suggestion was recently made by the Chief of police of Chicago, who issued a circular asking employers to cooperate in putting down crime by meeting their payrolls with checks instead of cash. The suggestion from these two

public officials is worthy of zealous consideration. The pay-by-check plan has been adopted by many employers in the United States and in most instances has met with success. At the same time these suggestions contain within themselves a solemn warning against another form of crime, the ravages of which have increased by leaps and bounds as the use of the check has replaced actual bullion and currency as the means of settling balances.

That form of crime is nothing other than forgery or alteration of checks. Only a few years ago it was one of the most serious menaces to bankers and business men of the world over. Thanks to science, things are now changed. The forger or check-raiser is no longer a danger signal for those who properly protect their checks. And proper protection is indeed simple. It involves using the best safety-paper available together with the modern check writing machines that shred the amounts in colors and then exercising care in handling your checks, that's all. Where this method of protection has been adopted, to date there has not been a single case of loss from forgery or alteration.

Naturally the growth of the tolls from forgery has been parallel with the increase in check transactions. The crying need for protection was not felt until business men in general realized that the check had taken the place of bank-notes in the commercial routine of buying and selling. America has, within the last two generations, become a land where nearly everyone engaged in trade literally "makes his own money"—or at least turns his

**N**INETY-FIVE per cent of the business done in the United States is transacted by check.

An average of six billion checks and drafts with a total value of approximately four hundred billion dollars annually pass through the clearing houses of the country.

This is eighty times the amount of currency in circulation in the country, but as yet a large percentage of the nation's check users fail to realize that a blank check is worth their entire credit once their name is signed in the right-hand corner.

The United States Bureau of Engraving uses no greater precautions in devising and manufacturing the paper on which currency is printed than do some of the manufacturers of modern check paper.

It is only when check users fail to make use of the necessary scientific precautions that they make themselves candidates for contribution to the toll of thirty-five million dollars which is collected annually by the most astute criminals in the world—check raisers and forgers.

credit into money.

In place of cash transfers to-day, it is estimated on good authority that fully 95 per cent of the bank transactions in this country are now carried on by the use of checks; and in the wholesale trade in some sections at least 98 per cent of all bank deposits are in the form of checks. It is commonly estimated by financial experts that, of all our buying and selling in this country, final settlement is made in the proportion of 90 to 95 per cent by bank check, draft, etc., and 5 to 10 per cent only in money. Our transactions involve a perennial use of more than six billion individual checks and drafts. What a fertile field for the crook so long as all checks are not protected! You issue a challenge to the modern penman unless you surround yourself with every safeguard of science and the additional security of great care in handling and issuing your checks.

The idea of the bank check is as old as Egypt, but it was only a half century ago that the word "check" meant little or nothing in the daily life of the average American business man. The generation that fought our Civil War had scarcely heard of a bank check as a credit instrument. Such a thing as a forged or raised check was almost unthought of. The need for check-protection had not suggested itself.

The growth of forgery and check alteration has been synonymous with the development of our great industrial system. As checks have increased in use forgers have increased in numbers, and as protective measures have increased in efficiency so has the forgers' skill. For many years the forger and his greatest foe, the designer of protective devices, fought a "nip and tuck" battle over many a bank account; and it was only recently that the latter won a decisive victory. This victory, it may be added is one of science and chemistry over the cunning of the criminal. It is not a victory over the carelessness of the legitimate check user who is to-day paying a toll to check manipulators of approximately \$35,000,000 a year, according to authorities on the subject. Twenty-five years ago the amount was probably not more than \$1,000,000. William J. Burns told the American Bankers' Association in 1914 that the total losses through forgery and raising had been about \$17,000,000 in 1907, whereas in 1913 the sum of \$23,000,000 was reached.

The history of forgery reaches back into the ages when communication by the written word was first evolved. Through all times it has attracted the aristocracy of the underworld—queer abnormal geniuses who have used their knowledge and their great skill to copy

or to alter tokens of value. Ancient Nile papyri reposing in dusty museums show the traces of erasure and substitution, but check forgery in the exact meaning of altering paper symbols of value first came into existence with the growth of banking in the Italian maritime renaissance. Since that day the forger and the penman has represented the most dangerous and the most skillful type of criminal in existence.

At various periods there are outbreaks of apparent crime. Clumsy and murderous bandits lurk in dark corners or go speeding down crowded streets in automobiles and public attention for the moment is aroused as it is aroused to-day and the evil is put down by the exercise of additional brute force. But unceasingly and with little public attention the forger and the check-raiser is constantly at work increasing his skill, calling to his aid his knowledge of engraving, printing, chemistry and science and pitting these and abnormal cunning against the genius of those who are engaged in guarding the integrity of our vast credit system.

In the United States and elsewhere throughout the world fashions in forgery and check alterations change with the times. The records of the United States Secret Service and of the famous private detective agencies of the period between 1865 and 1890 are filled with amazing tales of the great forgery organizations that flourished in that time. The exploits of the members of this school of check manipulators make up a fascinating page in the criminal history of the world. Their names for a generation were anathema to representatives of the law and to bankers and business men in general. There was for instance Walter Sheridan who was a bond forger and who could imitate with an uncanny exactness the bonds of the greatest of our national enterprises and of the Government of the United States; there was John Ross who forged on checks the signatures of our leading financiers and then cashed them in Wall Street banks, with such an air of debonair certainty that officials of the banks often begged him to open accounts with them; and there was Charley Becker, the master forger of them all who actually had clients from among his less gifted brethren who came to him and paid him a fixed fee for imitating signatures which they needed in their particular line of endeavor.

These men flourished only while checks were being printed on casual slips of paper and when blank checks of the uniform pattern were easily obtainable. Once the old-time forger obtained possession of a collection of blank checks, all that he needed were some samples of the signatures of prominent men. With the exercise of

courage and cunning he was practically assured a comfortable living at the expense of indignant depositors and distressed bankers.

The first real step toward the elimination of this romantic "Raffles" type, whose exploits for a score of years kept the banking fraternity sitting up nights wondering where the notorious gangs would break out next, was taken when the paper manufacturers developed the so-called safety paper, having a tinted surface coating that was sensitive to moisture and acids. This was followed by a campaign of education among bankers and check users in general, which resulted in obtaining for the blank check a greater degree of protection and regard.

Until within very recent years forgers and raisers have always met increased skill in check protection with equal skill in fraud. So, it was not long after the bankers had provided themselves with the new "safety" paper before they learned that the "safety" paper alone was a rather incomplete protection. For it was at this juncture that the old-time forger began to be superseded by the modern "raiser," who startled the world with the revelations of how a check can be completely altered with a few strokes of the pen or the use of acid.

Thus the modern check raiser came to be known as a "penman," who could change the name of the payee, the date and the amount of a check without making any erasure. For instance, there is no special paper or "acid-proof" writing ink that can prevent the words "Eight Thousand" written in long hand being changed to "Eighty" thousand by merely adding a letter "y." To change "six" to "sixty," "seven" to "seventy," "nine" to "ninety," and so on is an equally simple task. The words on many checks are so widely spaced that there is no trouble in raising checks to thousands of dollars by writing "thous" before the "and." Figures are more susceptible to alteration than words, and there is little difficulty in inserting an extra zero to the numerals generally carried in the left hand upper corner of the check.

To checkmate this new phase of check alteration bankers and business men adopted machines called "check punches" which punched or perforated the amount of the check in figures representing dollars. For a time it seemed as though the "penmen" were checkmated; but only for a little time. The master "scratchers" soon discovered that paper which has been punched or cut out can be restored in some manner. So they merely procured punches of their own, took the little discs or punchings thrown out of

(Continued on page 38)

# Testing Products Of The Forest

*Volume issued to commemorate tenth anniversary of founding of laboratory at Madison, Wisconsin, is a work of great interest to wood-using field directly and to American industries generally*

Written especially for AMERICAN INDUSTRIES

By CHARLES H. WINTER

(Photos courtesy of the Forest Products Laboratory)

COMMEMORATING the tenth anniversary of the founding of the Forest Products Laboratory at Madison, Wisconsin, there has just been published by the Decennial Committee, composed mainly of representatives of American wood-using industries, a book of considerable interest to not only the wood-using field directly but American industries generally. In the final analysis the products of the forests enter so intimately and fundamentally into every fiber and element of all industries that any broad treatise on forest products, such as this book is, contains matter of interest to the whole industrial field. Further, the general theory of applied technical research, a subject of growing importance to every industry, here receives a fresh impetus of encouragement through the recital of the progress possible in one basic industrial field in ten years from a standing start and against tremendous inertia and handicaps.

The Laboratory, to the uninitiated, is introduced thus on the title page:

"The Forest Products Laboratory an Institution of Industrial Research Maintained at Madison, Wisconsin, in Quarters Furnished by the University of Wisconsin by the Branch of Research, Forest Service, United States Department of Agriculture."

The foreword of the book in its turn briefly summarizes the reasons for the Decennial Celebration and the purpose of the volume: "On July 22d, 1920, several hundred representatives of Amer-

ica's diversified wood-using industries assembled at Madison, Wisconsin, to celebrate the tenth anniversary of the founding of the Forest Products Laboratory. Men, representative of every important industry which draws upon the forests for its raw material, were present from throughout the United States. Several came from foreign countries.

"The decennial celebration, of which the publication of this record is a part, was conceived as a mark of tribute to ten years of public service unique in the forest history of the world, and it was made possible by the contributions of over two hundred firms and individuals. Acknowledgement is here made by the committee for this striking evidence of good will, and the hope is expressed that this volume will reflect the spirit and character of the work of this institution during the first ten years of its public service."

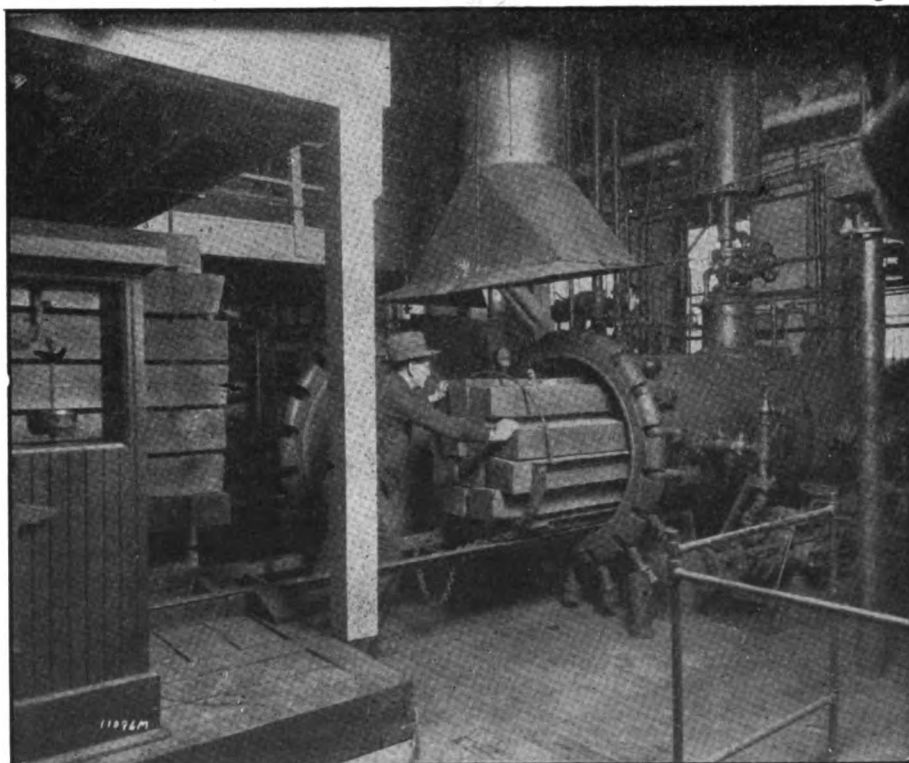
In picturing the background of conditions in the use of wood in the United States, the Decennial Record describes how in the year 1887 Dr. B. E.

Fernow, the pioneer in American Forestry, wrote in prophetic vein describing a situation which may be said to be the germ of impulse that eventually led to the birth of the Forest Products Laboratory. He is quoted thus:

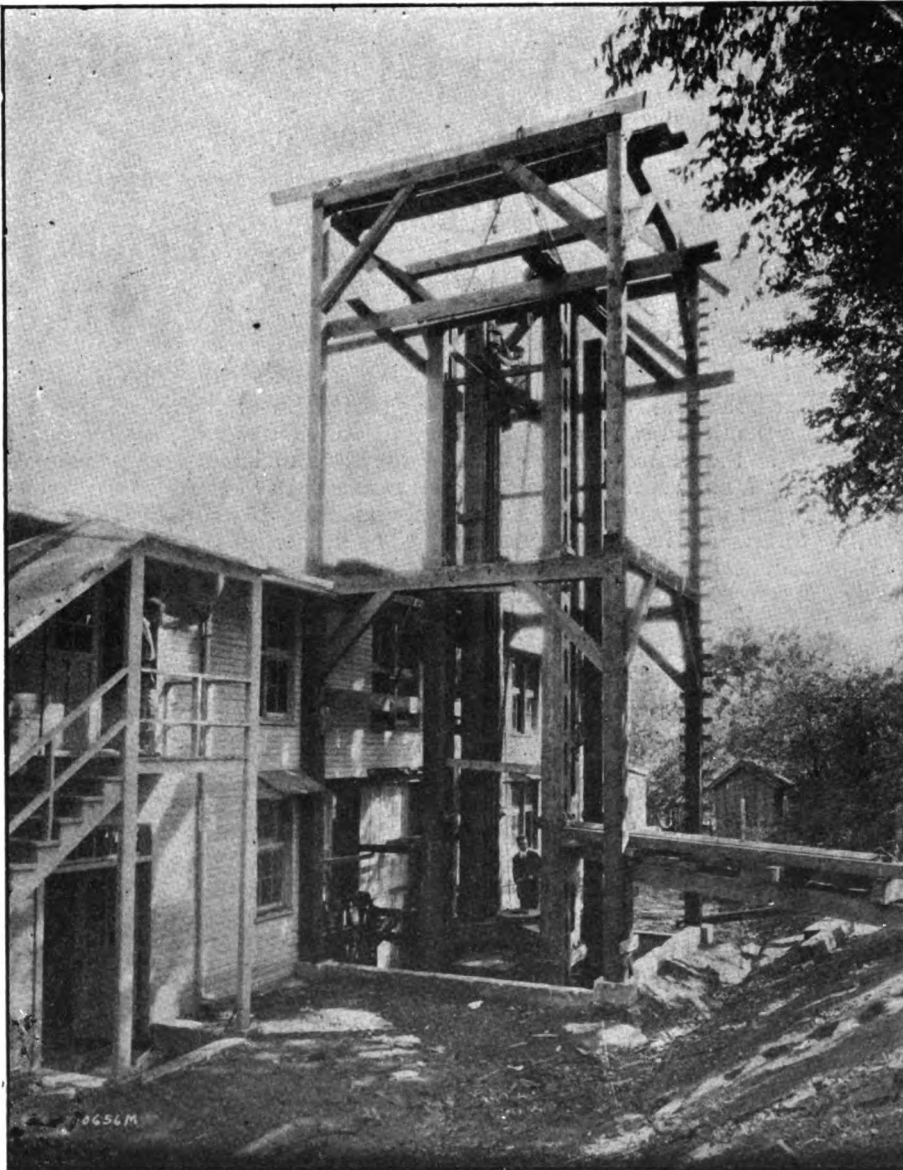
"The properties upon which the use of wood, its technology, is based, should be well known to the forest manager if he wishes to produce a crop of given quality useful for definite purposes. Our ignorance in this direction has been most fruitful in fostering a wasteful use of our natural forests, and the same ignorance misleads even the forest planter of to-day in choosing the timber he plants and the locality to which he adapts it. How the black walnut has been sacrificed for fence material, how the valuable chestnut oak has rotted in the forest unused, how the hemlock has been despised and passed by when it might have been successfully used to lengthen the duration of white pine supplies, how timbers are now used in unnecessarily large sizes, and applied to uses for which they are not adapted, while other

timbers are neglected for uses for which they are adapted—all these unfortunate misapplications are, or have been, due to lack of knowledge of the technological properties of our timbers.

"Every day, almost, brings to light a new use for this or that timber, every now and then lumber papers are weighing the serviceability of this or that wood. Instead of proceeding on a sure and scientific basis in recommending the application of any wood to a particular use, opin-



Charge of ties entering preservation cylinder



Million pound timber testing machine

ions *pro* and *con* are brought to bear, and the proper development of our resources is thereby retarded. Yesterday it was redwood that needed commendation in the market, to-day it is cypress that must be praised in order to receive due appreciation. Our timbers have never been fairly tested, or if they have their qualities are not duly appreciated. Many kinds have their use and value still hardly recognized; woods of exceptional value for manufacturing purposes are consumed for fuel; valuable and scarce varieties are used for coarse work, while cheaper and more abundant sorts are available. Still less knowledge exists in regard to the conditions of growth which influence the quality of woods. Crude 'experience' has been our guide, and 'crude' has remained our 'knowledge.'"

The lapse of thirty years from the time of Fernow's "voice in the wilder-

ness' has brought about a vast change in conditions surrounding America's timber supply. The relation of the Laboratory to the present forestry problem in this country and its close companionship with the science of growing trees is traced. "In the midst of timber plenty, the work of early pioneers to advance the cause of forestry in this country belied itself to many, but in the years that followed, the rapidly enlarging spectacle of forest devastation accompanied by growing scarcity and increasing prices of wood, left in doubt no longer the accuracy of their vision or the justice of their endeavors. To-day the problem of forest conservation stands out as one of the most vital economic issues of the nation. Knowledge accumulated during the past thirty years has served to crystalize the problem, for it is now generally conceded that its solution lies along two main lines of en-

deavor: the first is by stopping further devastation through such measures as will afford adequate protection and regulation of our remaining forests and will put our forest-bearing lands on a permanent forest producing basis; the second is the curtailment of the annual drain upon the remaining forests by more complete and scientific use of the trees cut, a use arrived at by an accurate knowledge of the properties of the various woods and their economic use."

The Decennial Record gives in brief a history of the events leading up to the opening of the Laboratory in June, 1910, the work of the early days of its existence in getting under way, the laying of the groundwork of the organization and development of plans and methods of research; describes under the various lines of work the accomplishments of both the pre-war and the war years; gives a graphic presentation both in word and diagram of the great expansion due to the demands of almost every war agency for information in forest products; and lastly, points out the future fields of research as yet untouched. A chapter descriptive of the laboratory cooperative service to American industry and how all its facilities may be used concludes the first part of the book. The second part gives the complete program and proceedings of the Decennial Celebration, in itself constituting a valuable contribution to a current history of forest products research and of the wood-using industry.

The work of the laboratory in the mechanical properties of woods is doubtless as typical as anything of the activities prior to the war period. The description which follows gives an intimation of the scope of the work and is indicative of activities in the other phases of the laboratory research, likewise described: preservative treatment of woods, kiln drying and physical properties of wood, the use of wood for pulp and paper, derived products of wood, and the study of fungi, rots and similar agencies causing losses.

"While no attempt has been made to arrange the various subjects in order of size or importance, it seems natural and logical to give first mention to the basic study of the properties of American woods. This is, without doubt, the most important series of tests ever conducted on American species, not only in actual size, but also in importance of results secured. Over 200,000 strength tests and about the same number of specific gravity and moisture determinations, in all well over half a million individual tests, have been made covering every commercial species in the country and many of only minor importance. The tests were made on specimens cut from typical trees and were so planned and executed that



proper analysis of the returns has yielded, besides actual and comparative strength values of green and air-dry wood of the various species, much additional information of fundamental character, such as the relation of strength to weight, of strength to the height in the tree, the effect distance from the pith upon the strength properties, and the relation between strength and rate of growth.

"The test data are frequently used for special studies, being regrouped and analyzed to bring out whatever unusual property or relation of properties may be desired. They form the starting point, also, for much of the experimental work upon structural material and parts of structures, such as air-craft parts.

"Work of previous experimenters has shown that the amount of moisture present in the wood had a very marked effect upon its strength, and efforts had been made to deduce the laws underlying this relation. It remained for the timber testing laboratory at Yale to plan and carry out a series of tests which not only yielded specific data on the moisture-strength relation for several species, but also proved the existence of a definite point now called the 'fiber-saturation point,' beyond which the amount of moisture did not affect either strength or shrinkage. This basic information is in constant use in all of the studies of the mechanical and physical properties of wood.

"The requirements for grading rules for structural timbers differ from those for rough and worked lumber since strength is a very important consideration in structural timber, and it is highly desirable that this class of material be graded on the basis of strength, so that the 'better' grades will be uniformly stronger than the poorer ones. This allows higher fiber stresses and conse-

quently more efficient use, since allowance does not have to be made for the occasional weak piece which slips in under grading rules patterned after lumber grading rules. The laboratory has studied and analyzed the effect of defects and physical properties upon the strength of structural material, and has drawn up grading rules for the two principal structural timber species. These rules have been adopted by the associations concerned and are now in everyday use. Tables of allowable fiber stresses under various conditions of

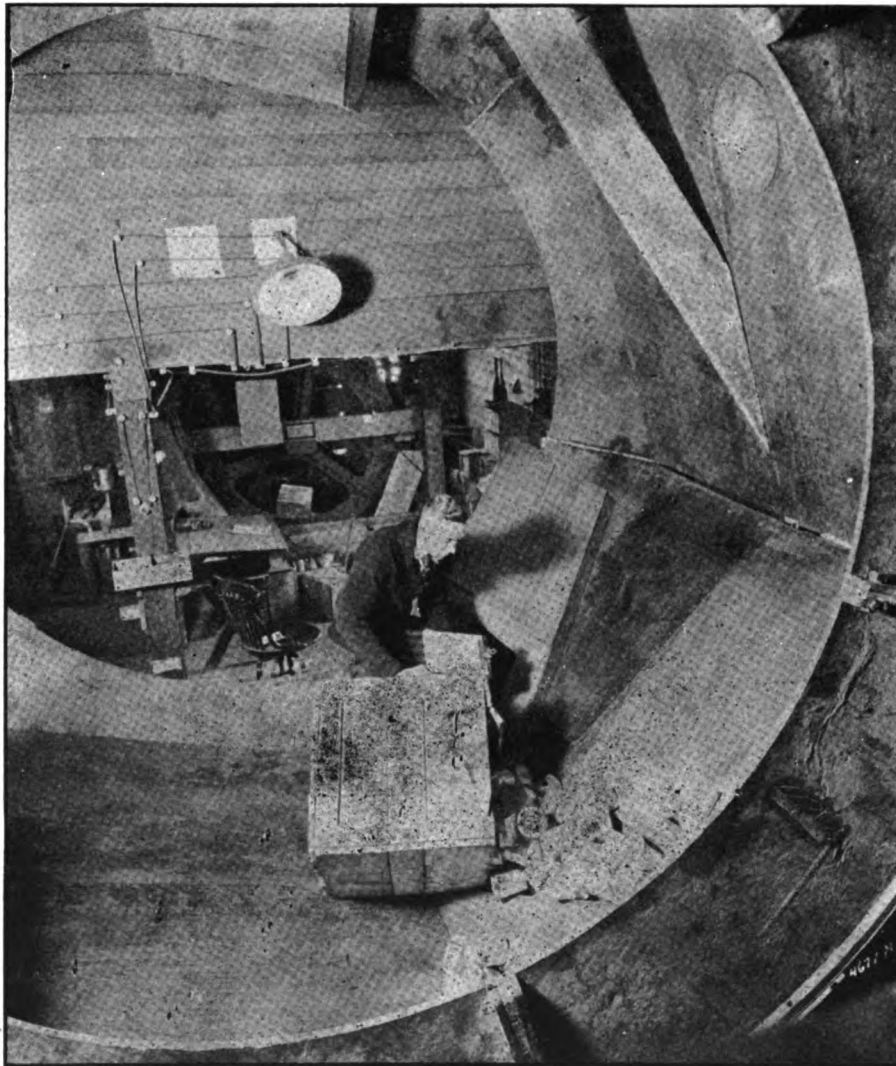
strengthen an admittedly weak part by the addition of more material. Through a series of tests upon white oak barrels, in which the barrels were subjected to various tests, such as internal pressure and drop tests, the laboratory determined the proper relation among stave thickness, head thickness, and hoop spacing to yield the best service with the smallest amount of material. New types of barrels, based upon the results of these tests, have been approved by the Interstate Commerce Commission. As in the design

of barrels, so also with boxes, crates, and other types of shipping containers, one of the most important design problems is to secure a 'balanced construction' affording greatest strength at least cost. The proper selection of the species or kind of wood for various uses is also very important.

"The laboratory has perfected a box testing drum giving consistent results which indicate the value of any type of construction for the shipment of goods and has developed various standard types of box constructions which have been adopted by the associations of manufacturers and of users of boxes. It has also investigated and tested the relative value of many woods for box-making and divided them into four groups on this basis, the

woods in each group to be used interchangeable. This work represents the greatest single step forward in box design and proper selection of box species which has so far been taken.

"Typical of various studies is the one made on hickory. A large number of tests on spokes and other vehicle parts showed definitely that 'red' hickory was not inferior to 'white' hickory in its mechanical properties, and that grading rules discriminating against it on account of color were basically unsound. Tests on larger vehicle parts

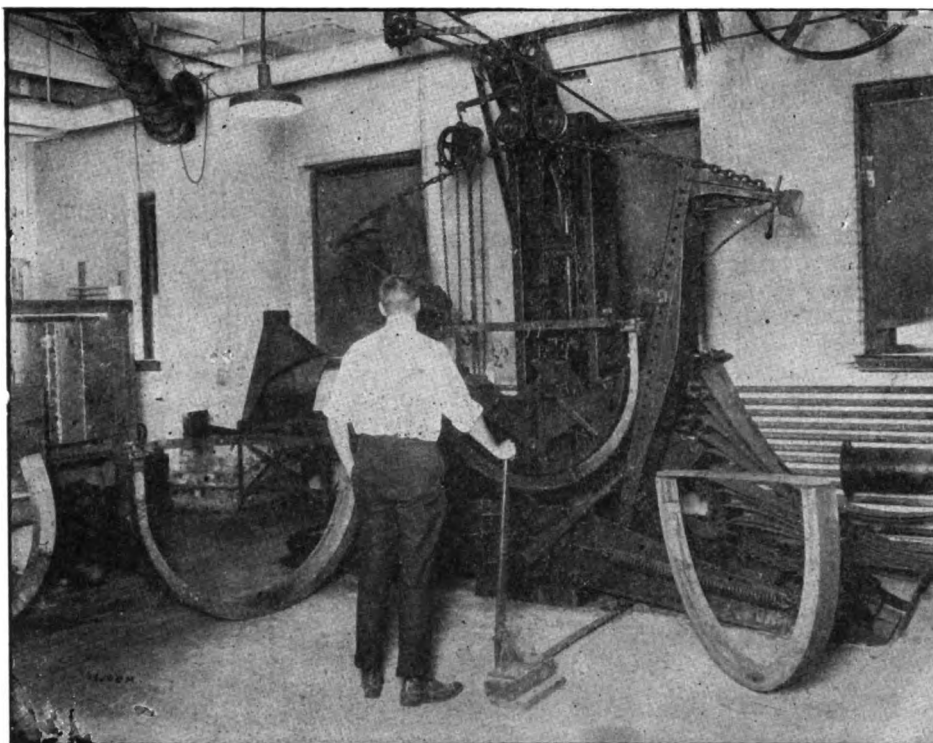


Testing boxes in big tumbling drum

service to be used with these rules, have also been drawn up. So far as known, this is the first successful attempt on a commercial scale to grade structural timber on a basis of strength.

"Efficient design of any article requiring strength demands not only that sufficient strength be present, but also that this strength be secured at a minimum expenditure of material. To balance the construction by the elimination of surplus material is frequently more difficult than simply to





Bending of heavy wheel rims

such as axles, bolsters, and poles brought out the relative merits of hickory and various substitute woods which the ever-increasing shortage of hickory has forced into use.

"The relative strength of various species of wood when used as telephone or other electric poles has been determined through actual strength tests of a number of poles, simulating as nearly as possible actual conditions in service. Several series of tests have also been made upon cross arms of various sizes and species, to determine the strength and proper design.

"For many years, timber cut from southern pine trees which had been 'bled' or turpented was considered inferior on that account and suffered discrimination. Strength tests made upon 'bled' and 'unbled' wood showed that the turpenting had not injured the wood, and enabled this material to assume its proper commercial value."

The Laboratory in its first years received appropriation sufficient to support but a comparatively small personnel, never numbering over 75 or 80 people, including non-technical help. The war witnessed an expansion to a peak number of 458 persons with the laboratory on a hundred per cent war basis, every energy being devoted to studying the immediate urgent problems arising as a result of the great conflict. Regular investigation and research were for the time laid aside.

Doubtless the aircraft work of the laboratory during the war was most typical and an extract is here given descriptive of that one line of work.

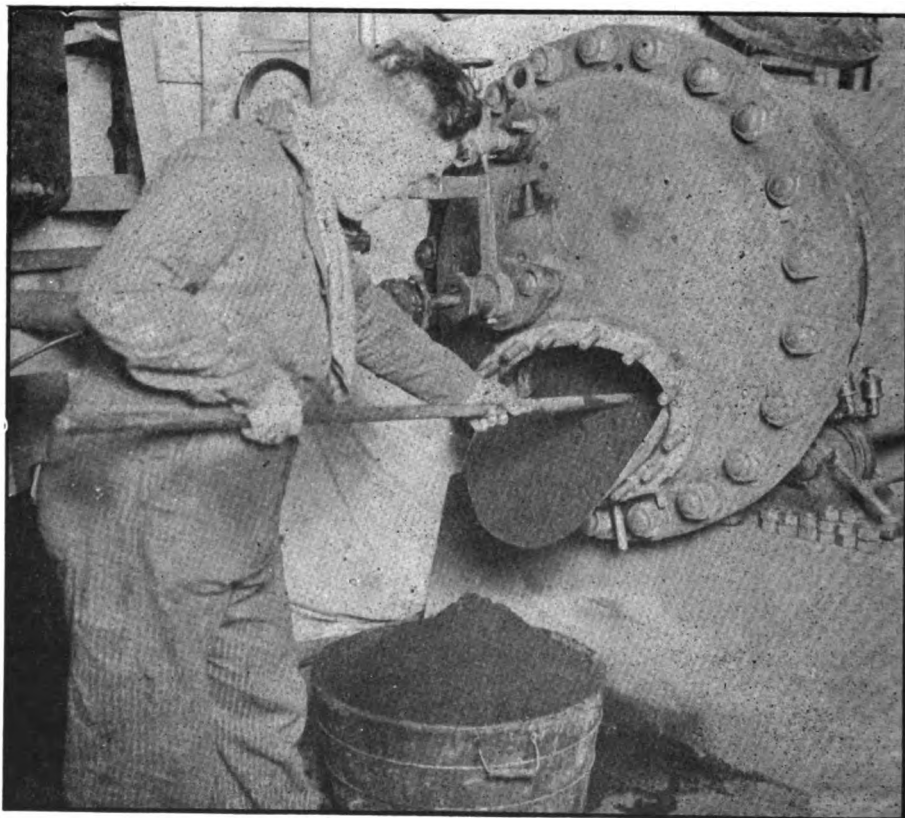
In addition the Decennial Record carries one through the interesting work in water-resistant glues, the propeller work, the kiln drying of heavy artillery woods, the war time box work—in itself a description of romantic interest—the laboratory participation in the wooden shipbuilding program, co-operation with the railroad adminis-

tration, help given in the chemical warfare campaign, especially in the study and development of gas mask charcoals; the vastly important study of wood cellulose for explosives and a host of minor problems. Many of the results of this work find application in peace time industry.

"There was immediate demand for accurate strength figures for woods used in aircraft design, and it was possible to supply much of this information from data on hand. A study of the data available on most American species resulted in the approval in specifications of suitable substitute species for woods commonly used in airplane manufacture. The list of approved substitute woods issued by the Bureau of Aircraft Production was based upon the results of these studies.

"Designs and specifications for airplane wing beams presented many perplexing problems; to secure reasonable quantities of perfect beams, each machined out of a single piece of wood, was quite impossible. It became necessary, therefore, to devise ways and means for the production of satisfactory beams from defective material. Two general lines of attack were followed, namely, (1) a study of defects, and (2) the development of built-up beams.

"Much attention had been given to defects and their effect on strength prior to the war, but further study of earlier results coupled with some additional tests gave complete data on



Converting saw-dust into stock feed

the relation of pitch pockets, knots, cross grain and spiral grain to the strength of a given piece. The result was the issuance of specifications which described the kind, size and location of defects permissible. This specification immediately made available many beams which had already been rejected, and increased greatly the yield of acceptable beams.

"Active investigation into the relative merits of various types of built-up airplane wing beams was undertaken early in the spring of 1918 at the urgent request of the Bureau of Aircraft Production. The need for such investigations had been apparent for a long time, and fairly thorough knowledge of the history of the use of the various types had been secured; but lack of ability to organize for this work in addition to that already under way had prevented progress in the study. Clearing of the way for this work resulted in the evolution of a satisfactory beam as the result of an intensive test and study of 300 beams comprising that number of individual variations of ten main types of construction. Subsequent tests developed the best types of splices for flanges and webs, and detailed data was secured concerning the behavior of individual woods with different types of glue used in making built-up beams.

"The possibility of improvements in design, especially in the larger beams, became evident; further, the matter of 'form factors' to be applied to beams of various forms in making strength calculations assumed importance because cross section has an important bearing on specific strength. Consequently, tests on built-up beams have been continued since the armistice and several noteworthy improvements brought out.

"As the engineers in charge became

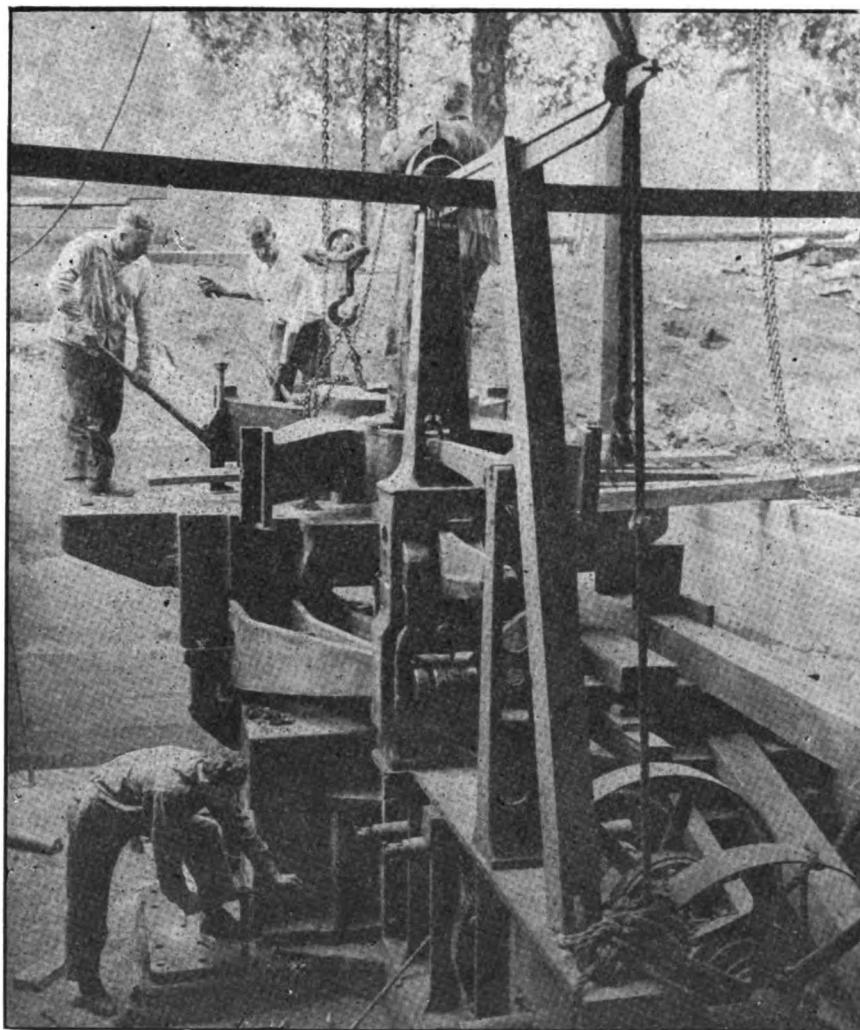
more familiar with aircraft design and construction, they saw more and more details which needed improvement. Among those aircraft parts which seemed to suffer most from poor design were the wing ribs, not only of the training planes, but also of the fighters. Almost the first test made showed that improvements were possible, and a group of men was given the task of designing, building and testing wind ribs. A standard type for small and medium ribs was evolved and ribs of this type were developed for a number of Army and

A rather extensive series of strut tests was therefore undertaken to answer these questions and various others which arose from time to time concerning special types of struts. These tests showed definitely that methods of inspection could be improved materially and that certain special types of strut were not satisfactory. A non-injurious method of test or inspection was devised, and later adopted by the Army, whereby the actual maximum load which each strut can bear is determined. Several noteworthy types of large built-up struts were developed for

the big flying boats being designed by the Navy.

"The improvements in design resulting from the experimental development of beams, ribs and struts made evident the desirability of similar work on other aircraft parts. Tests were undertaken as opportunity offered on various special details which were giving trouble, and in several cases the development of new principles of construction was carried out. In most instances these centered about the use of plywood. Shortly after our entrance into the war, a very elaborate investigation into the mechanical properties of plywood had been initiated, since there was no information available upon this subject and

its importance in connection with aircraft design was evident. As this investigation proceeded, the possibilities in the structural use of this material became greater and greater, and the new knowledge was applied as quickly as possible. Mention has already been made of the new type of wing rib, a large part of the success of which depends upon the efficient use of plywood webs. Much of the progress made in wing beam design likewise was due to the application of the new data to the design of these important parts.



Setting up timber testing machine

Navy planes. So far as known, the new type was an improvement over all existing types. Later several very efficient truss types were developed for larger planes.

"Interplane struts, both solid and hollow, though designed on the basis of formulae which had been checked experimentally, were inspected and selected in a manner which did not seem to insure acceptance of all suitable struts and the rejection of all unsuitable ones. Further, there arose numerous questions concerning the actual strength of certain struts and fittings.

"Several large elevator spars were designed for Navy flying boats, and in the progress of the test an entirely new type of construction was perfected. The use of spirally or diagonally wound veneer over the core provided very high resistance to torsional stresses with extremely low weight. The net result was a very strong and stiff spar with the minimum weight.

"A new engine bearer was designed for the De Havilland plane. This bearer is of plywood about an inch thick, cut out of the solid sheet and lightened as much as possible through the use of lightening holes. The proper selection of species and thicknesses of plies resulted in an appreciable increase of strength without increase in weight. Similar parts were designed for several Navy planes.

"Much attention was devoted to the use of thin plywood as a wing covering and a number of tests were made in the hope of developing a satisfactory linen substitute. Several types of construction were tried out, and interesting preliminary results secured. No covering or type of construction was perfected, however, which was superior to the standard wood and linen type."

Of especial interest to industry is the cooperative policy of the Forest Products Laboratory. While Congressional appropriation maintains the laboratory, the funds at the beginning of each fiscal year are allotted to a definite and clear-cut research program. Naturally, many new problems outside the current program crop up during the year in the large field of the wood-using industries. To provide an opportunity to take on current problems of this nature, the laboratory in the Decennial Record makes this statement of policy:

"(1) The Forest Products Laboratory is the only organization of its kind in this country fully equipped to conduct intensive research in all lines of wood utilization and readily available to the lumber—and wood-using industries. During the ten years of its existence, it has built up a great fund of scientific information on wood which is usually of direct value and application in the solution of specific problems, thus making it possible to solve many new problems with a minimum amount of new research. The idea behind its cooperative service is thus to place its facilities, organization, and fund of information at the disposal of the industries under the best terms possible and practicable. The alternative would be to attempt no research except that provided for in its approved program.

"(2) A certain amount of cooperative work, it is believed, is a healthy thing for an organization of

this character. It not only increases contact between the laboratory and the wood users, thus stimulating appreciation of one another's problems, but it adds to the general fund of scientific information on wood. While all information in possession of the laboratory is disseminated free of charge, much of this information is incomplete when applied to specialized commercial problems. Cooperative service makes available to the industries an opportunity, which otherwise would not be available, to supplement by special research at minimum cost any incomplete data in possession either of the laboratory or of the industry. And it tends to utilize the full capacity of the laboratory.

"In offering cooperative service, however, it has been necessary to place certain limitations upon the work which will be accepted. The laboratory does not desire to engage in mere routine testing, and it is not its purpose to do so. To meet all requests of this character would require many times its present appropriation. Especially does it avoid a type of routine work that could be readily done by an industry through the installation of simple testing machinery, at reasonable cost, by the industry itself. Advice on such installations will invariably be given if desired. It is not its purpose to promote one product as against another, but to present facts which will enable the public and the industries to put wood to its best use. It has therefore adopted as one of its underlying principles of this cooperative work that it will not accept any project the results of which will not be of some general value and application. As between two pieces of cooperative work, only one of which the laboratory could undertake, the one would be accepted which it appeared would give results of broadest application.

"The conditions under which the cooperative service is rendered are:

"(1) The laboratory will plan and carry out the tests of investigations desired and will prepare the necessary report. The coöperator will pay all expenses incidental to the work. He will be charged actual cost of work only. The laboratory does not render cooperative services on a profit basis. In cases where the work is of direct value in furthering the regular research program of the laboratory, the cost is often divided between the laboratory and the coöperator.

"(2) The laboratory shall have the unrestricted right to publish and distribute the results obtained from the investigation. The coöperator shall not publish for general distribution any statements or reports committing the laboratory unless specific approval is first obtained. Experience has shown

this restriction necessary as a protection to the laboratory, the coöperator, and the public against possible misuse of data obtained and against dissemination of incomplete and misleading results. The value of the laboratory's work depends upon the authenticity of its results and the confidence which the public and the industries can place in them at all times.

"(3) Results are not subject to private patent.

"The coöperative service offered by the laboratory is thus an effort to aid the industries, at minimum expense, in a larger way than would be possible by limiting activities exclusively to the work authorized by annual appropriations from Congress. It in no way commercializes the work of the laboratory, because all information available on any phase of wood utilization is furnished free upon request or through personal consultation. But special problems, involving additional data and investigations outside its regular program of research, can be handled only under the conditions stated.

"Individuals or companies, by referring their wood problems to the laboratory, may obtain in advance a statement of the test or investigations thought necessary to their solution and an estimate of the cost. Communications should be addressed to the Director, Forest Products Laboratory, Madison, Wisconsin."

#### EXPECT \$250,000,000 RATE CUT

A decision by the Interstate Commerce Commission providing for a reduction in freight rates estimated at approximately \$250,000,000 annually is expected in general financial and business circles.

The decision, it was believed, would be announced in time to put the new schedule into effect June 1, allowing for the thirty days' notice required by law.

The forecast on the decision was that shippers would benefit principally in a reduction of the hauling tariffs for coal and building materials, together with a permanent downward adjustment of rates on agricultural products to conform approximately with the voluntary reduction made by carriers on this class of commodities for a six months' period.

It is considered certain there will be no horizontal reduction of freight rates ordered by the decision.

Experts estimate that the reductions which it is expected will be ordered will in the case of coal alone, curtail the carriers' revenue by about \$110,000,000 a year, with perhaps \$90,000,000 loss in building materials' transportation charges, and \$55,000,000 on agricultural products.

# Open Shop's Benefits Three-fold

*American plan means to public a lessening of industrial strife, to employer greater loyalty and efficiency, and to the employee the right to earn his living in his own way and on own terms*

*Written especially for AMERICAN INDUSTRIES*

By A. C. REES

Manager, Utah Associated Industries

**I**F the closed shop program in industry has failed, its advocates cannot attribute it to any lack of opportunity to demonstrate its value as a factor in the interest of society.

Labor unionism with its present complexion, and union leaders who are responsible for its policies, both represent the growth of a system which has been merely tolerated and permitted to flourish with only indifferent opposition from disorganized industry and business groups.

Intoxicated with supposed power and playing upon the traditional cowardice of public officials, sponsors of unionism finally reached a point that forced action from the present, well-organized and closely affiliated constructive forces in business. To the thinking and far-visioned employers, it was obvious that a program would have to be offered to supplant the vitiating and demoralizing features put forth by the far flung A. F. of L. The result was the open shop, or, as it is now popularly known, the American plan. Contrary to the opinion which the man in the street may have, this does not in any way represent an innovation in industrial relations, but rather a return to the time-honored, cordiality and happy conditions which existed in the plants, mills, factories, shops and building construction a generation ago throughout the land.

Now that the re-establishment of American principles in industry has taken a firm grasp upon the souls of determined, fair-minded men, there is clearly need for a guiding spirit that will point the way to well-defined objectives and to the inauguration and perpetuation of an era of good-will, coöperation and mutuality between all agencies and groups in industry.

In an organized way employers are studiously avoiding the pitfalls into which organized labor has stumbled, and are assuming as a sacred obligation the proper and consistent utilization of their power and wealth, the abuse of which has cast such deserved odium upon labor unionism as at present constituted. Consequently proponents of the American plan have laid down a few guiding principles

which seem to embody the virtues, the justice, the honesty, and the unquestioned fairness of this system.

1. What is the American plan?
2. Whom does it benefit?



A. C. Rees

3. What responsibilities rest upon the different elements in society to preserve it and to perpetuate its operations in all human activities?

Let us answer these questions in their order in a way calculated to reflect the real sentiments of those industrial organizations established in every state and in every industrial center in the Union which have been charged with the responsibility to assume leadership in this vast program of industrial emancipation.

The American plan may properly be termed a simple philosophy of right based upon constitutional guarantees which in theory and in practice comports with the American ideal of fairness, freedom, harmony in human relations and respect for law and order.

Inasmuch as the practice of unionism is based upon a philosophy which its exponents have evolved, so, likewise, the American plan is a philosophy—but one upon which the recognition of equality of opportunity in industry rests securely. The outstanding fundamental difference between

the two philosophies is therefore at once apparent.

Any plan of operation instituted in society depends upon its contribution to society for its very existence. Accordingly, the American plan must stand for the good of society. It removes the ever constant menace of destruction to life and property brought about by industrial disturbances which penalize the public and which are the present fruits of union domination. In the interests of good government and respect for law and order men are permitted, under the American plan, to enjoy harmonious relations and good will in their chosen vocations. This harmony is not alone with their fellow workmen but also with those who are responsible for the conduct of the business. No argument need be advanced to prove that the germs of sedition, anarchy and radicalism, which tend to destroy organized society, cannot, and do not thrive in institutions conducted upon these accepted American principles. Those familiar with the actual workings of those opposed to this principle are solemnly aware of the untiring efforts being put forth to undermine the Constitution of the United States. When men defy the courts of justice, hurl defiance at their decisions and by every means suggested by their cunning seek to intimidate public officials, such an element can scarcely lay claim to respect for the Magna Charta of our country. Under the influence of the American plan such an element cannot operate—neither the sullen advocates of defiance nor the brutal exponents of acts of savagery (who represent the two extremes) but in whose eyes the American plan of employment finds no favor.

Again the beneficial results in increased loyalty and efficiency, under American plan conditions, are immediately reflected in decreased costs which accrue to the public. If monetary advantages are the chief consideration on the part of the public, may it be pointed out that this one benefit is an obvious one in the interest of the purchasing public. Under the American plan principle, the



general civic tone of a community is raised, a desire for coöperation is accentuated and any program to promote class consciousness is automatically defeated. In any community whose citizens stand firmly and courageously for this plan, progress and general development of natural resources are made inevitable. The consequent increase in population ensues. Capital is invited to make investments through a sense of security, and society, as a whole, experiences a healthy, happy spirit upon which any government to be successful must rest.

As to the employer, the beneficent results are outstanding. In these days of storm and stress he must be in a position to survive the stern business competition which exacts of him that he produce his wares at a price which the public will accept. With harmony within his plant, the good name of his institution is reflected in the sincerity and honesty of his workmanship. He is conscious of the fact that his powers, rights and prerogatives, as responsible executive are not being constantly challenged by any man or group of men that do not share with him that responsibility. He has absolute faith in the loyalty of his employes and they are giving him an honest day's work for a full day's pay. This system effects a freedom of relationship between him and his employes and maintains the open door policy between him and any of his subordinates. There is brought to the irreducible minimum, any smouldering antagonism or misunderstandings which strike at once against the efficiency, good fellowship and peace of mind of all concerned. The employer experiences a sense of security in the thought of continued operation of his institution unbroken by any agitation or movement destructive to the welfare of his business.

In order that the accusation may be successfully refuted that the American plan is all in the interest of the employer, may we turn to observe the results which are achieved in the interest of the employe himself. First, it fulfills to him the promise held out to him by this land of opportunity that every man has the right to earn his living in his own way, on his own terms and in keeping with law and order, in consonance with accepted social, moral and good business practices. It at once breaks down the limitations imposed upon him by union philosophy by affording him latitude to develop his latent powers and resources and to achieve his righteous ambitions. It does away with the dead level of inefficiency and rewards him for his own individual efforts, which in itself encourages him to excel. His efficiency and his power to produce

are accentuated by his contentment and by the assurance that there is always present an opportunity to demonstrate his ability. He maintains that self-respect and personal freedom in his work and in his relation with his employer that make him a desirable citizen. Under the protection of the American plan of employment, he is insured against disturbances inspired by outside, irresponsible influences. There is removed that depressing and ever-present uncertainty which has existed, that through no fault of his and even contrary to his own wishes, he may be forced to discontinue his employment and thus cut off the source of his livelihood. The spirit of peace is carried into the home of the workman who is happy at his toil. He is at peace with his fellows and his neighbors, let their creed, party, lodge, or other affiliation be what it may.

In view of these apparent benefits to the public, the employer and to the employe there comes with it a corresponding responsibility to each. It is the sacred duty of the public to keep informed on actual conditions obtaining in industry; to study openly and honestly the philosophies which attack this simple but true American plan of employment. It behooves the public to determine in their own minds the real motives, aspirations and practices of those who decry this American system. Then, when convinced of the righteousness of this cause, there can be no other course open to real Americans but to coöperate openly, courageously and unceasingly for this principle. This carries with it the responsibility to oppose intelligently and vigorously, in every lawful manner, any plan that would destroy this American principle.

Finally, the public should establish a point of contact with those men, or groups of men, in their communities or states, that are known for having assumed leadership in this undertaking and who are pledged to this principle of employment. May it be emphasized that this is a contest for human rights and will not be won in a day. Just that word to the overzealous who may think that a single blow will end the conflict.

The employer must feel an obligation on his part to permit of no domination of his business at any time or under any guise and to see that all his subordinates are carrying out faithfully this accepted plan of employment. It is his duty to watch vigilantly that his workmen are not violating this principle by maintaining, or attempting to maintain, a stronghold against those who may not belong to their particular organization. The employer must resort to no subterfuge and be guilty of no practices in his employ-

ment relations not in harmony with the American plan. As a matter of common sense and protection to himself, his employes and the public, he cannot employ workmen who admittedly stand out in defiance against this principle. It is his duty and right to join hands with his fellow employers in an organized way for the establishment, promotion and perpetuation of this principle. He is obliged to deal honestly and fairly with his employes in matters of wages, hours and working conditions and to take the initiative in establishing personal contact, or in formulating some sort of shop organization, that will make it possible for him and his employes to meet on common ground for the discussion and settlement of all questions of mutual interest. Upon him rests the sacred obligation to make the golden rule operative in all his employment relations, for without it the American plan principle cannot endure.

As to the employes, they must give loyal and efficient service. They must render an honest day's work for a full day's pay. They must join hands with their employers in the promotion of the business and to regard themselves as partners in industry. It is for them to accept the invitation of the employer to promote cordial relations and to discuss with him, and to bring about settlement of all problems of mutual interest. As a matter of consistency they should be pledged to affiliate only with such bodies whose purposes are in keeping with the accepted American principle of employment and to confine their support to such movements that are calculated to promote personal rights and equality of opportunity to all workmen. They must observe as a common practice the rule, to extend to all workmen the same privileges and rights as they may desire for themselves. When matters arise involving personal security, safety and wellbeing, they must show a willingness and readiness to submit such questions to tribunals that operate along lawful, legitimate and constructive lines.

A student of this philosophy is at once impressed with its simplicity, its absence of confusing intricacies, and its fearless advocacy of human rights and privileges in every phase of our complex industrial life.

The American plan is the expression of righteousness in human relations.

#### EXPOSITION IN LATVIA

The second International Agricultural and Industrial Exhibition at Riga will be held from June 11 to June 25, 1922. Gerhard & Hay, Inc., 21 State Street, New York, will take care of shipments to the exhibition and furnish any information.



# Our Overseas Banking Problem

By W. F. GEPHART

Vice President, First National Bank in St. Louis

**I**N any discussions of American banking and foreign trade, it is essential that the relation of banking to trade be thoroughly understood. At best, the service that banking can render to trade is limited to certain more or less well defined functions. It is almost as important to know what banking cannot do in this respect as it is to know what it can do. There has accumulated during and since the war so much misinformation concerning the workings of normal international trade that at the present time a clear picture of the actual situation is not easily visible to the average observer. Many of the banking services and functions that were exercised during the war period in connection with matters of governmental policy worked, not because they were economically sound, but because of the governmental support given in such cases.

Now that these war conditions are behind us, it is essential that the true relation of American banking to foreign trade be clearly defined. At best, it must be realized that the banking service is a means to an end and not an end in itself. It can be of service only in so far as fundamental economic, financial and currency conditions permit its free operation, although banking procedure may influence those conditions. Credit can be extended only on a sound basis. However perfect a banking system may be, it cannot create credits beyond the sound values represented by the goods being traded. The present situation in Europe and other parts of the world with respect to our foreign trade is only indirectly connected with the functioning of the American banking system. No banking system could have prevented the industrial depression of the world. Nor can any banking system restore prosperity at once. It has been the practice of misinformed Americans to assert that our lack of foreign trade, in the past, was due to the absence of foreign banks, a merchant marine, marine insurance, or some other similar agency for foreign trading. Yet our foreign trade has been expanding, however much we may have and now need improved agencies.

Contrary to popular understanding, the foreign trade of the United States has not since the armistice, and is not now, in such an unfavorable position as is commonly supposed. Indeed,

careful analysis will show that our trade has held up remarkably well under the circumstances. Europe was our chief market before the war and as a result of the normal business and financial life of the people and of their political and social organization as well, there has resulted two great needs that must be, in a measure, met before Europe will again be in a position to consume goods in approximately the quantities she formerly did.

First, a restoration of her industrial, social and political organization so that she may operate in something approximating normal manner. In this connection, no other one problem is more difficult than to establish a rapprochement among the newly organized political States. Nationality was achieved in such a brief period and has, among some of these new nations, so little basis in actual economic, racial and social conditions that it will take some time for these new nations to establish that neighborly sort of feeling which is necessary as a basis of normal international trading. Additional complications of a profound character are to be found in the disturbed currencies, banking and finances of all these countries.

In the second place, the enormous destructiveness of the war has necessitated among the peoples of Europe a lower standard of living. How long this will continue it is impossible to state, but the fact is that these people who were the best customers for our products are not taking, and will not take goods in their accustomed quantities as measured by the pre-war standard. Nevertheless, even to the European countries our trade bears, under the circumstances, a fair relationship to that of the pre-war period, and though these exports and imports have been financed in somewhat abnormal ways, yet the fact remains that American banks have functioned in carrying on this trade. With respect to our foreign trade to other centers of the world, and especially to the Central and South American countries, we have and are maintaining a fair volume of trade. This trade has also been financed directly by American banks and indirectly through the established relationship of American to European banking organizations. The point which is sought to be made is this—however much there is need for developing additional facilities and

experience on the part of the American banks it is not a case where they are not functioning at all, or where a beginning has to be made from the very foundation.

Many of our banks had unfortunate experiences in financing foreign trade during the war period which was due in part to their inexperience, but chiefly as a result of conditions over which they had no control. However skillful our banks might have been during this war period, they could not have prevented the condition of disturbed currencies, fluctuating exchanges, precipitous fall in prices, and the revocation of contracts which occurred after the war period. The mere fact that a number of our banks have closed their foreign agencies or have in other ways decreased certain lines of activity, which they followed during the war period, does not necessarily mean much. In a number of cases these agencies, or connections, were developed during the war period as emergency measures and were not intended, and certainly did not supply a permanent organization for the conducting of normal foreign trade. We shall, therefore, need to approach the problem not exactly from the beginning, but certainly in a different manner from that which prevailed during the war period.

Under present conditions it is, perhaps, not necessary to secure additional legislation in order for American banks to take a more active part in financing foreign trade. We probably have all the laws that are necessary and need only to devise a better systematic organization. But until American banks develop a trained personnel, sufficiently familiar with the workings of international finance in all its branches, we will find ourselves handicapped in meeting the competition of some European institutions with years of experience in this line.

To accomplish the purpose desired it will probably not be necessary to attempt to effect some such organization for foreign trade similar to our Federal Reserve system in domestic trade. A financial mechanism, however perfect, cannot remedy the fundamental difficulties faced by the various European countries as a result of the war. It will probably be found that the best line of development will be an extension of the activities of the individual banks which are now in exis-

tence, both through the establishment of agencies abroad and a closer working agreement with the large foreign trade banking organizations of various European countries. Superficially it may appear that recently America has been holding herself more or less aloof from Europe in so far as her financial needs are concerned. A study of the facts of the situation, however, shows that American banks have done considerable work in financing foreign trade in one way or another since the close of the war. Up to March 25, 1922, there had been floated in the United States foreign loans of various kinds totaling \$1,362,840,000. In addition to this huge sum there were also placed in this market large amounts of foreign securities, both

public and private, which were quietly purchased other than through the medium of an official loan floated in this market. Of the total amount floated over \$998,000,000 were from European governments.

Therefore, American banking, to assume its proper function in extending our foreign trade, needs an extension of its present organization to the foreign field and most of all a trained personnel for this work. This is true, not only for the purely commercial banking, but also for investment banking. The United States is now, and will continue to be, one of the chief sources of supply for capital, and our funds will be used increasingly, both to finance the trade of the world and as a permanent investment in many

countries. This condition has been brought about in a relatively few years and consequently we have not had sufficient time to prepare for this new work. American banks need to acquire as quickly as possible an increasing number of men in the American banking field who have a comprehension of the fundamentals underlying international trading and a clear understanding of the significance of international, commercial and investment banking. Perhaps no other industry or business task of greater magnitude has confronted our people and we shall need the energy and application of our very best men to acquire this knowledge as rapidly as possible. The opportunity is here, the laws are adequate and the need is pressing.

*(Continued from page 28)*

the draft by the punching machine and put them back in place to fill up the first or last character in the amount. They then punched a few additional figures or ciphers, and thus multiplied the check or draft by ten or a thousand times its actual value.

So again the bankers, business men and manufacturers of check devices were called upon to overcome this menace and there was gradually evolved the modern check writing machine which cuts the amount words through and through the paper in shredded letters of two alternating colors, and, at the same time, forces an insoluble ink into these shreds under high pressure, making the fluid a part of the fibre of the document.

Check users of the country in general quickly adopted these new machines and the forger again had to admit that he was at least temporarily baffled. For his predecessors the signature line had long before proved a dangerous and unprofitable point of attack, and now he had been deprived of the use of the amount line where those he was accustomed to prey upon used the new devices.

The forger did not spend much time in worrying, however, for he realized that the new invention protected only the amount line. The payee line, as well as the number and date lines, was still exposed. So there sprang up another problem to be solved before checks could be called forgery-proof.

The manufacturers of safety paper all the while had been constantly experimenting with the manifold uses of chemical and ink combinations hoping and dreaming of the day when they would be able to produce a paper so sensitive that the slightest erasure or alteration would be immediately detected. They were conducting their experiments along the same lines as those followed in the Government

Bureau of Engraving and Printing in Washington, where our bank notes and other documentary papers are made. The experimenters worked hard and long, and meanwhile, in spite of the increasing use of the protective machines, the yearly tolls exacted from the public by the forgers increased at an amazing rate.

Finally, very recently paper manufacturers who had been experimenting so assiduously announced to the world that they had perfected a check paper that would give complete protection. And the proved results of the users of the paper have, past doubt, confirmed their statement. For, so far as it is known, where the two protective measures—both the modern machine and paper—have been employed, there has not been one instance of successful forgery.

This paper is made from an original pattern, which is under lock and key, just as Government securities are protected. The various formulas used involve a series of complicated photographic processes, following the completion of which three different designs from as many different original patterns are printed on the surface of the check paper.

Checks printed on this paper make alteration without detection impossible. The forger who tries to rub anything out immediately finds that he has spoiled the check beyond the hope of redemption. And one who tries to obliterate the payee's name, date, number or other figures with the use of acids or bleaches finds that something much more peculiar takes place. The tinted surface of the paper instantly dissolves and out flashes the word "VOID."

It may be asked at this juncture: Why then, if checks are made absolutely alteration-proof, should there be such a constant increase in the amount of money lost each year through check

manipulations?

There are two answers to this question which explain the apparently contradictory condition. The first one is, the fact that the use of checks is increasing in this country at a phenomenal rate. Ninety-five per cent of all of our business transactions are carried out through the use either of checks or of drafts. Clearing house figures last year showed that approximately four hundred billion dollars worth of paper has been cleared. This amount was represented by more than six billion individual checks.

The relative significance of these figures are better understood when it is realized that the actual currency in circulation in the United States is approximately five billion dollars. In other words, each dollar in currency to-day is represented by one hundred dollars in checks.

The second reason is the one which is responsible for many of the mishaps in the existence of man—carelessness. The average check user fails to realize that the check is money; that a single check, in fact, may represent his total resources and credit if it but possesses his name in the right-hand corner. Checks are carelessly written with margins between the amounts, in which other figures increasing their value may be written, and the names of payees are carelessly scribbled, so carelessly, indeed, that with the alteration of a letter, the dotting of an "i," the crossing of a "t," a clever penman may change the name entirely.

The alteration and forgery of documents is as old as time. The battle to-day between science on the side of law and order, and science and cunning on the side of the criminal is a draw; except where the carelessness of the check user makes him fail to take advantage of the protection which his own good judgment and science place at his command.

# FOREIGN TRADE OPPORTUNITIES

The inquiries for American goods received by the National Association of Manufacturers from abroad will now appear in these columns. In order that the confidential nature of the inquiries may be preserved for the benefit of our members, the addresses of inquirers will not be printed in "American Industries," but the inquiries are numbered, so that members interested in communicating with any of the inquirers may obtain the addresses by writing to the Foreign Trade Department of the Association at 50 Church Street, New York, and mentioning the number or numbers whose addresses they may desire.

Where no language is mentioned, letters in English will be understood.

## SOUTH AMERICA

Wood floor planing apparatus, both for hand and electric operation. A merchant and agent in Argentina desire quotations, catalogues and detailed particulars. Correspondence in Spanish. (318)

Machinery and tools for working precious stones, particularly for cutting, polishing and engraving monograms on diamonds and other precious stones. Correspondence in Spanish. (319)

Knitting machines for hosiery. A merchant in Colombia requests catalogues and details. Correspondence in Spanish. (320)

Broom manufacturing equipment, tools and supplies of all kinds is of interest to a party in Peru. Correspondence in Spanish. (321)

Complete cotton mill equipment is desired by a concern in Peru. Interested members can secure complete copy of inquiry by applying to Foreign Trade Department of the N. A. M. Correspondence in Spanish. (322)

Surgical, medical and dental instruments, apparatus and supplies. The inquirer desires catalogues, quotations and complete data regarding packing, freight, etc. This inquiry has been referred to the N. A. M. by the Consul of Peru. Correspondence in Spanish. (323)

## WEST INDIES

Ice cream cone machinery, operated by electricity is required by a firm of manufacturers in Havana. Correspondence in Spanish. (324)

## GREAT BRITAIN

Electrical devices for the deaf, supersensitive telephone receivers, microphones and detectaphones for exper-

imental purposes; also selenium cells for electrical purposes. The inquirers are manufacturers of wireless instruments and small electrical apparatus. (305)

Cocoon handling machinery. A machine for husking cocoanuts, breaking the shells, splitting the flesh from the shells, and also stripping the brown skin from the flesh and desiccating it, the machine to be capable of treating 4,000 nuts per day of eight hours; oil press for pressing oil from the fresh nuts and including grinder, steaming apparatus and separator, the last for separating the oil from the other liquid contents; also a Tague sheller with a capacity 5 tons per day of eight hours. This inquiry comes from a London business organization on behalf of one of its members. (306)

## FRANCE

Office specialties. A gentleman who has been connected with a prominent American organization in France for some years is now in the United States for the purpose of making connections with two or three manufacturers of office equipment and specialties for representation in France. (325)

Raw and dressed hides. An agent wishes to represent an American firm in his territory. Correspondence in French. (308)

Time recorders. The inquirers desire catalogues with best export terms. (309)

## GERMANY AND BALTIC PROVINCES

Representation in Germany. Manufacturers desiring to buy or sell in Germany, particularly in the lines of chemicals, drugs, raw materials, leather machinery and technical articles generally, are offered the facilities of a newly formed firm, one of the mem-

bers of which has long been identified with business in Germany and France. (326)

Ready made clothing, shirts, underwear and hosiery. The inquirer is interested in large lots, particularly military goods, for sale in Russia and the Baltic provinces. Correspondence in German. (313)

## SPAIN AND PORTUGAL

Complete soap making equipment for the manufacture of 3,000 to 4,000 kilos, daily is required by a firm in Spain. Correspondence in Spanish. (327)

Pipe wrenches, scales, screw stocks for mechanics, pipes and emery stones are of interest to a merchant in Spain. Correspondence in Spanish. (328)

Fish meal and fish drying equipment is of interest to a merchant in Spain. Correspondence in Spanish. (329)

Tools of all kinds, cane knives, hoes, shovels; textiles in prints, duck, velveteens, shirting, checks, stripes, khakis; Turkish bath towels, auto trucks, flour, construction material, soap, oil and spaghetti machinery. A firm of Portuguese traders with Africa desires to hear from American manufacturers. (330)

## ITALY

Fused caustic soda. The inquirers desire to secure the agency of an American firm. (331)

## AFRICA

Iron and steel products, hardware and tools, chemicals, oils, cotton and woolen textiles, provisions and other products suitable for the Egyptian market. A gentleman claiming to have very good connections and offering sat-

isfactory guarantees, wishes to hear from American manufacturers open for representation. (332)

**Flour.** A firm of merchants and agents in Egypt desires an American flour agency for Egypt and Greece. Correspondence in French. (333)

**Water turbines** of small size for generating electric power; also small band saw machines that can be operated by hand or with small power. The inquirer is an American Missionary in French Equatorial Africa. (334)

**Cotton textiles,** metal foil paper and colored tissue paper, glassware, chinaware, cutlery, blue mottled bar soap of fine quality, flour and rice in all qualities, white crystal sugar of best quality, slate and slate pencils, wire of all kinds and galvanized corrugated sheets. A firm of traders in Zanzibar wish to make connections with American suppliers. They have forwarded to us a number of samples of cotton sheetings, towelings, checks and low grade colored cotton and interested members can obtain these samples by

writing to the Foreign Trade Department of the N. A. M. (303)

#### ASIA

**Flour** of all kinds for Smyrna. A firm of wholesale dealers desires to hear from American shippers. (335)

**Chemicals, automobile accessories,** gasoline and kerosene motors for all purposes, pumps for wells with all accessories, moto-pumps for irrigation and spraying, hydraulic oil presses, small tools and hardware, and agricultural implements. The inquirer desires to secure American agency connections for Syria. Correspondence in French. (336)

**Men's shoes** at from \$1.30 to \$2.00 per pair f. o. b. New York; men's socks at from \$0.75 to \$2.50 per dozen f. o. b. New York; shirts, collars, ties, suspenders, felt hats, raincoats, bicycles, rebuilt typewriters, decorated dinner sets and chinaware, ice boxes, water filters, oil stoves, go-carts, small hand power washing machines and wringers. An importer in India is interested in low-priced merchandise. (337)

#### AUSTRALASIA

**Granite, marble, slate and stone working equipment** of all kinds including tools and supplies for quarrying, polishing, etc.; also abrasive materials of all kinds; heavy machine tools and power transmission machinery. A party in Australia requests catalogs and detailed particulars. (338)

**Office specialties, labor saving devices and latest novelties** of all kinds. The representative of an Australian firm of manufacturers' agents is now in the United States with the object of making connections with American manufacturers for representation in Australia. J. W. Eskdale, c/o Foreign Trade Dept., Natl. Assn. of Mfrs., 50 Church St., N. Y. C. (339)

**House furnishings** of all kinds, including carpets, oilcloths, window shades, lamps, glassware, furniture, draperies and upholstery and drapery fabrics; also metal coffin fittings. The inquirer is a manufacturers' agent and desires American connections. (340)

## Europe Slowly Regaining Status

By ALVIN KRECH

President, Equitable Trust Company

SO much is to be said with regard to the gigantic task of economic reconstruction that one must be satisfied with merely giving one's general impression. Now it is very easy to tell Europe that in order to put her house in order it is imperative that reparations and the inter-allied debts be settled; that, moreover, international trade must be restored and that, lastly, budgets should be balanced; but I am afraid that it is well nigh impossible for the much harassed nations of the world to live up to the desiderata of orthodox economy. Let us rather frankly admit that sweeping changes are out of the question and that conferences do not pretend to produce a magic wand.

Signor Schanzer, in his speech before the Italian Chamber on March 19, candidly declared that Genoa would not be the last stage on the road to general peace. Genoa—and I am merely concerned here with economic problems—will have more than fulfilled our hopes if she forces the world to accept the undeniable truth that Europe, if she is to exist must think and act as one great entity.

And, slowly but surely, Europe is

coming to her senses again. What is the use of talking, for instance, of stabilization of the exchanges as long as Russia or Germany have not taken their rightful places in the council of the nations. Now Genoa is accomplishing the miracle of rounding up the lost sheep and bringing home the prodigals.

As an American banker, I should like to say that we are not only keenly interested, which is self-evident, in Europe's economic future, but that we have followed with the greatest sympathy Europe's post-war efforts. When all is said and done it cannot be denied that the European nations have been helping themselves in a most admirable manner. Consider for a moment the splendid record of the Credit National of France which, since its foundation in 1919, has expended on reconstruction in the devastated areas over 11,000,000,000 francs; and consider also down-fallen Austria fighting bravely for her existence and doing all that it is in her might to electrify her railroads. I cite Austria's example purposely because it shows that as long as there is life there is an economic future.

We in America are desirous to help Europe. Since the armistice we have floated in the New York market European securities to an amount of \$750,000,000 and our investing public is ready to take more.

As to the financing of trade, the practical banker knows too well that in certain countries the gold standard will, for a long time at least, be an unattainable ideal, and that stabilization is hardly possible in a country like, for instance, Germany, which really cannot be expected to subscribe to plans of stabilization when her currency is so utterly shot to pieces. The banker's first duty is to find out whether, in spite of budget or currency difficulties, he may grant a certain credit.

As the world progresses on toward a happier economic situation the confidence of the banker in Europe will become more general, and it is fervently to be hoped that Genoa will act as a great eye-opener both to Europe and America, Europe finding out that she has to accomplish the duty of being true to herself and America finding out that she should extend her help to Europe.

# Silent Envoys Win South America

*American motion pictures and press associations great factors in changing our neighbors' traditional attitude of distrust to one of understanding and political and economic interdependence*

*Written especially for AMERICAN INDUSTRIES*

By F. EUGENE ACKERMAN

NOT so very long ago I sat in a cinema theatre in Buenos Aires and watched the throngs of handsomely dressed people file into the boxes that wend their way in a giant horseshoe about the auditorium. Outside long files of automobiles came and went and from box to box friends and acquaintances nodded pleased greetings. It was one of the two weekly society nights at the cinema when the elite of the great metropolis came to view their favorite screen star in the latest "attraction extraordinary."

After a flourishing overture by the symphony orchestra—quite in the American fashion—the lights were dimmed and in rapid succession I viewed: the weekly news event, made up mainly of scenes from the states, including a fashion show of women's and children's garments which excited a buzz of comment from the feminine members of the audience; an American-made "feature" drama, starring a noted screen actress, and produced by the Paramount Corporation; a Charles Chaplin comedy, labelled "Carlitos," which brought a perfectly deafening clatter of stamping feet (a form of applause much in vogue in South America), and a scenic film depicting the wonders of the Cascade Mountains.

In hundreds of theatres in every part of South America, from the great cities to the most remote hamlets, similar pictures were being shown that night. I had seen them in tropical Brazil and later I was to see them in Chile, Peru and Ecuador; with here and there a diversion in the form of films showing the operations of agricultural implements and sewing machines, displayed to interested audiences of "estancieros" in small towns and hamlets.

All of this was but a single phase of the tremendous influence which North American ideas and North American pastimes are exerting in the great continent to the south of us. Since 1914 this vast area has been knitted to this country in bonds of understanding, based on fundamentals which insure their stability. The relationship has progressed slowly and surely, obscured in its working by the very forces which were producing it.

The war hastened slow-moving elements which were decreeing a social, political and economic interdependence between North and South America; but it only hastened them. Long before the war the relationship had been formulating, urged by a reciprocity of needs and facilities, which each could supply the other. Slowly, but surely, these immutable forces were overcoming misunderstanding and prejudice, setting at naught the puny efforts of self-interested endeavors, which in this day have come to be known generally under the self-condemnatory title of "propaganda."

Other nations which had regarded the continent of South America as their own kingdom for economic development struggled vainly against what they termed "Pan-Americanism" and for a long time they retarded its natural growth—and then the war came. With it their defenses went down, and the normal needs of South America which the United States could fill became acute necessities. And these the United States met—with some misunderstandings and short-sighted betrayals of faith—but in the main in a manner which completed for all time the bonds of mutual economic dependence.

The statistics of this growing relationship are for all to read. It is reflected in a growing interchange of trade; the movement of raw materials to this country and the return of finished products to South America; the tremendous investments of capital, and the constantly increasing number and value of loans made by private investors to the governments of South America. It is not the purpose of this article to deal with these vital facts in detail. Rather it is written to tell of the factors which followed this trade development, or were a part of it, and which are exerting their influence to interpret the United States to its sister republics south of the equator.

The most potent forces in the development of public opinion are of course, the press and that astonishing giant of a decade—the motion picture. Nowhere is this truer than in South America. One finds here an anomaly in old and new civilizations—the highest cul-

ture and the most primitive types of the social order. Great newspapers vieing in circulation, influence and in editorial content with the finest examples of journalism in the world, exert a tremendous influence among the educated classes. But each of these newspapers, besides being a journal of information, is an organ of political propaganda. The gospel which it preaches in its editorials and its treatment of local and international events is colored by its political faith.

Until a decade ago the press of South America was almost universally hostile to the United States. Here and there great newspapers like *La Prensa* and *La Nacion* of Buenos Aires; the *Jornal do Brasil* of Rio de Janeiro, and *El Mercurio* of Chile, discussed the United States intelligently, sympathetically and fairly. But even these newspapers were justly critical of the devious policies which we pursued in our foreign relations, particularly since their sources of news information were garbled and indirect. The Havas Agency, the French news association, closely allied with the French government, served practically every newspaper which subscribed to a news service. News from the United States was first cabled to France by a French correspondent of Havas who had his offices with the Associated Press in New York. After it reached Paris the news was carefully culled, rewritten, cut down so as to eliminate all unnecessary cable tolls and was sent to South America by way of Brazil, Uruguay, Argentine, Chile and up the west coast.

In its travels the original news items passed through the hands of many editors, and through the vicissitudes of various translations—from English to French; from French into Portuguese and Spanish; and from Portuguese and Spanish into Italian (for the use of the influential Italian press of Brazil and Argentina.) Eventually the tired, travel worn news story reached its final destination—the news columns of the South American press. But in its journeyings it often took on a strange garb, dropping or acquiring weird significances as it was tossed from language to language and from cable line



to cable line. As a general rule the original subject matter of the news material was based on a French correspondent's idea of what was abnormal or interesting in this great, unusual and somewhat amusing United States. The final result was a medley of international editing, based on imaginations.

This was the situation until 1917, when the United Press Associations, closely followed by the Associated Press, invaded the news field of South America. The Havas Agency, with some protests, agreed to abrogate the agreements between press associations which had hitherto prevented the Associated Press from entering South America. Within a year the North American press associations were sup-

plying practically every newspaper of any size in South America with cable and mail news. Almost overnight the channels of news communication between the great continents were opened. How remarkably that changed the complexion of cable news from the United States is understood by those familiar with the newspapers prior to the advent into South America of our press associations.

Almost coincident with the entrance of the North American press associations into South America, there developed a great advertising business between American manufacturers and selling agencies and South American newspapers. Proprietors of great journals either came themselves or sent representatives to open business and editorial offices in the United States. To-day at least a dozen South American newspapers have headquarters in New York, from which they solicit advertising, make purchases of printing equipment and newsprint paper, and maintain special correspondents.

While this development of reciprocal news was proceeding, the number of technical and general trade papers in Spanish and Portuguese, printed in the United States for general circulation throughout South America was increasing. Automobile trade papers, unusually excellent engineering magazines, fashion magazines for women, and general export magazines, grew in number and size of circulation.

The advertising pages of local newspapers and magazines all over South America began more and more to carry the announcement of American manufacturers. And there began to be evidences of a decided interest in the so-called American method of advertising. Now advertising in South America varies in its development according to the different countries on the continent. Until recently there was no particular school that was followed, unless there was a trend toward the flamboyant French style. Selection of type was poor and was generally left entirely to the publication in which the "ad" appeared. Art work was more or less primary, except in certain instances in which large purveyors of commodities

or luxuries had followed British and American schools.

But during the past several years the effect of the American school of advertising has been felt. American types of layout; art effects and selection of type are coming more and more into vogue. In fact a great many advertisers in the domestic market might be interested to note the very thorough use to which their ideas are being put in South America.

In opening this article I dilated on the prevalence of American moving pictures everywhere in South America. They displaced the Italian and French films early in the world war, when those sources were shut off. The American films brought to the great masses of South Americans more or less distorted pictures of American life. At first the films which reached South America were the off-scourings of this country—the cheap, tawdry, volume production trash that merely strikes the hinterland of the United States. But it was not long before the great distributing companies realized the value of the continent to the south of us, and very shortly they organized distribution media there which now bring to South America the very best films produced in this country.

These films have permanently displaced their competitors, if the judgment of the motion picture experts of South America is to be believed. In the first place the mountings of our films far exceed those of any other country, and next the actors and actresses are youthful, handsome and ornately dressed for any part they may be playing. The same names and faces which are familiar to the mid-weekly "movie fan" in Cedar Rapids, Iowa, enthral the ardent Peruano in Lima, and the excited mulatte in Northern Brazil.

Besides familiarizing the masses of South Americans with our customs, styles, prejudices and complex problems of love and industry (all of these, of course, projected in the fervent manner of the scenario writer and director) the "movies" are exerting a tremendous influence in favor of American trade. They are creating desires

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# WATER

## WE-FU-GO AND SCAIFE

### PURIFICATION SYSTEMS SOFTENING & FILTRATION FOR BOILER FEED AND ALL INDUSTRIAL USES

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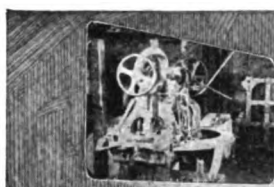
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New York Office: 26 Cortlandt St., New York, N. Y.

in the most intimate and direct manner. Every picture of a great American city makes more possible the extension of American construction activities abroad; every scene showing a competently run American business office or factory, carries to some one of the audience an idea based on what the picture tells him. The women copy the coiffeurs and gowns of the cinema stars, and the local toilet preparations carry recommendations from our Mary Pickfords and Alma Tells.

Of course the lessons that are being taught by the cinemas are confusing and bewildering. It is a bit difficult for a well educated but untravelled South American to understand how William Hart can shoot down tribes of Indians in a territory in which a week before gay groups of aviators and automobile parties were picnicking in luxury. It requires dexterity of thought and expression to explain the understood but never accentuated element of time which enters into Mr. Hart's pictures. It is doubtful if Einstein himself could explain satisfactorily that there are really no cowboys roaming the ranges after stray mavericks and slinking Indians these days. But these are elements of slight importance. What matters is that the lowliest peon to-day understands that "los Yanquis" are a human people, with cares and sorrows just as he knows them; and that they are not the grasping, selfish, dangerous creatures they were believed to be by his father ten years ago.

As trade avenues expanded in South America, the various elements representing American interests began more and more to coördinate their interests. In the Argentine, which has a colony of active and capable American business men, there was organized an American Commercial Club, that soon became the Chamber of Commerce of the United States in the Argentine. In Brazil, in both Rio de Janeiro and Sao Paulo, chambers of commerce were formed, and these organizations were followed by similar ones in Chile and Peru. There had long been publications in English devoted to British interests in South America, but until 1918 there was only one publication in English owned and edited by an American. That was the *West Coast Leader*, of Lima, Peru. In 1918, in both Buenos Aires and Rio de Janeiro, monthly publications in English were started by Americans, and in Buenos Aires later, a newspaper in English was taken over by American interests.

The trade associations have been an effective force for the development of financial and commercial relations between the countries of South America and the United States. They have



#### Ordinary Films Are Dangerous

The operation of any portable projector using ordinary inflammable films without a fireproof enclosing booth is prohibited by State, Municipal and Insurance restrictions, and the violator is liable to severe penalties. Pathéscope SAFETY STANDARD machines and films do not require enclosing booth.



## THE NEW PREMIER *Pathéscope* Flickerless SAFETY STANDARD Motion Picture Projector

# Selling with Motion Pictures

#### Showing beats telling!

Nothing you can say about the quality of your goods or what they will do, is half so compelling—so convincing—as a visual demonstration of how they are made and used.

Motion pictures of your product present claims that cannot be argued down. They are both claim and proof combined. They leave no room for doubt. They compel belief.

Sales, Advertising and Sales Promotion Managers of many of the most progressive concerns in the country are using motion pictures and New Premier Pathéscopes in strong educational work and intensive development of specific sales territories.

The Pathéscope Company recently made for E. A. Stevenson & Co., Boonton, N. J., a motion picture film showing the complete history of the manufacture of "Spread-it" (nut butter), for use among Domestic Science instructors and to give retail dealers first-hand information about the product.

A film made last year by the Pathéscope Company for Kirkman & Son, Brooklyn, N. Y., has already been shown to millions. This company has now in daily operation a large number of New Premier Pathéscopes, and its motion picture activities constitute a very considerable portion of its sales promotion work.

The National Cash Register Company has twenty-eight Pathéscope projectors; the Economist Film Service, for its Department Store clients, has forty-five.

New Premier Pathéscopes have been used with eminent success also by the

American Mutual Liability Insurance Co.  
Baldwin Locomotive Works  
Boston Woven Hose & Rubber Co.  
General Electric Company  
International Correspondence Schools  
International Mercantile Marine  
Mosler Safe Company  
National Biscuit Company  
United Drug Company  
and many others.

Many of these users selected the Pathéscope only after a careful investigation of, and sometimes unfortunate experiences with, other portable projectors. One Sales Promotion Manager, who tried out various machines by projecting their pictures side by side with those of the Pathéscope, chose the latter as "all around most efficient," adding that "the biggest feature is the 'Safety Standard' film used in the Pathéscope. In many places, it is only because of this feature that we are permitted to show our film."

Only "Safety Standard" film is used in the Pathéscope. It is safe. The Underwriters' Laboratories, Inc., have set their Approval Seal on every "Safety Standard" film and Pathéscope projector. No fireproof booth or licensed operator is required.

Ordinary film is dangerous and should be used only in a fireproof booth and by a licensed operator.

The New Premier Pathéscope can be used by any of your men, any time, anywhere. It is so exquisitely built that its brilliant, flickerless pictures amaze expert critics. It operates on any electric light current, or from a storage battery. It weighs only 23 pounds and can be carried in a small suitcase.

Our Industrial Department is organized to render an efficient service to advertisers in the preparation of films. We made the most successful industrial films produced during 1921. We invite an opportunity to demonstrate the Pathéscope Film Service and to explain its place and function in your sales promotion program.



## The Pathéscope Co. of America, Inc.

Willard B. Cook, President Agencies in Principal Cities  
Suite 1852, Aeolian Hall, New York City

MEMBER



helped much in directing the channels of North American trade, and in turn have been aided greatly by the remarkably close relationship between the two continents that has developed during the past decade.

One of the most important of these developments has been the extension of our cable services. Prior to three years ago, cables to the east coast of South America went largely by way of London and Paris. The Western Cable Company, a British concern, had a monopoly on the cable rights in Brazil, which prevented the All Americas Cable Company from extending its system. That monopoly was finally broken and within the past two years the All Americas Cable Company has extended its system from Buenos Aires up the east coast to Uruguay and Brazil. This has not only given the United States a quick, cheap and thorough cable communication system with all of the countries of Central and South

America, but it has made the nation free of foreign cable domination, a domination that was severely felt during the World War.

It was in 1897 that the National Association of Manufacturers sent a trade mission to Brazil, Uruguay and the Argentine, and it was that mission which practically opened up the extensive business that we are doing to-day with those countries. The mission went to Brazil by way of Southampton—that being the only route available. To-day some of the finest passenger vessels afloat make the journey from New York to Buenos Aires in sixteen days, and on both coasts freight vessels far in excess of present needs are available at rates which compete with those of the merchant marine of any other nation.

Brazil, that vast country, greater in area than the United States, is merely stirring to life. Her inestimable store of raw materials are food for our great

industries, and the needs of her people are those which we can supply. Uruguay and the Argentine have great industrial possibilities and are already important agricultural centers supplying the world with vast meat products. Chile, Peru, Colombia, Venezuela and the other countries of the southern continent, hold for us materials which we must have, and in return for which we must sell them our manufactures. In all of these countries, great undertakings await the coming of capital and enterprise, both of which we have and which we are furnishing in vast quantities to-day. The packing plants in Brazil, Uruguay and the Argentine represent the investments of millions. Our investors hold hundreds of millions in government, state and municipal, and public utility loans made to Latin-America. How great an investor we are may be gauged from the following summary showing loans made to Latin-America up to October of 1921:

Country	CORPORATION				Public Utility	Industrial	Total
	Government	State and Municipal	Railroad				
Mexico .....	\$500,000	.....	\$152,087,675	\$2,478,000	\$30,000,000	\$185,065,675	
Cuba .....	9,486,000	.....	21,695,000	.....	40,447,800	71,628,800	
Panama .....	1,978,000	.....	.....	.....	.....	1,978,000	
Santo Domingo .....	10,141,450	.....	.....	.....	.....	10,141,450	
Haiti .....	.....	.....	.....	3,000,000	.....	3,000,000	
Argentina .....	50,000,000	.....	15,000,000	.....	.....	65,000,000	
Bolivia .....	3,857,868	.....	.....	.....	.....	3,857,868	
Brazil .....	50,000,000	\$40,242,000	.....	.....	.....	90,242,000	
Chile .....	33,269,000	425,000	.....	.....	64,329,300	98,023,300	
Peru .....	.....	.....	.....	.....	8,000,000	8,000,000	
Uruguay .....	7,500,000	.....	.....	.....	.....	7,500,000	

## Chinese Enterprise Growing

**EVIDENCES** of the faith of Chinese business men in the possibilities for profitable investment of their own capital in industrial and financial establishments in China continue to multiply. Following are some of the recent enterprises undertaken in China as reported to the National Association of Manufacturers by the Chinese Government Bureau of Economic Information, located at Peking and Shanghai;

**Chambers of Commerce.** The building of the General Chamber of Commerce of Tungchow, which cost \$300,000 has been completed.

A District Chamber of Commerce has recently been organized at Tung Hsien, Fengtien province.

**Insurance Company.** The Chekiang Great China Fire and Marine Insurance Company has been registered with the Ministry of Agriculture and Commerce.

**Agricultural Implements Association.** An Agricultural Implements Association has been established in Peking. The aims of the Association are four, namely: 1, To investigate the various makes of agricultural implements both at home and abroad; 2, To carry out experiments; 3, To establish agricultural implement factories; 4, To advise farmers in the use of implements.

**Hosiery.** The Wah Chang Socks Weaving Company, of Yangchow, Kiangsu, requested the Ministry of Agriculture and Commerce to register its trade marks.

**Paper.** Hu Shao-chen, of Hangchow, has recently established a paper mill.

**Silk.** Shen Yoong and others, propose to establish a model silk filature in Huchow, Chekiang.

**Telephone.** The Ministry of Communications is preparing to install a

long distance telephone between Peking and Harbin.

**Navigation.** The Kiaotung Steamship Navigation Company has been registered with the Ministry of Agriculture and Commerce.

A Chinese navigation company has recently purchased four steamships from the Chinese Government Steamship Administration at a total cost of Tls. 180,000. The average capacity of each ship is about 2,000 tons.

The Chung Hua Sin Yue Heng Kee Inland Navigation Company, of Wusih, increased its capital.

**Tramways.** A tramway company in Hankow is planned.

**Mining.** The Kichun To Foo Coal Mining Co., of Kichun, Hupeh, has obtained operating rights from the Ministry of Agriculture and Commerce. Previously it had held prospecting rights.

The Ministry of Agriculture and

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Mr. Ackerman during the past fourteen years has had an extensive experience in the United States and abroad as a journalist, specializing in matters of finance and commerce. As an officer of the United States Naval Reserve he re-organized the inter-allied censorship of Brazil and served as organizer and director of the Bureau of Latin-American Affairs of the Information Committee of the United States Government. He has during the past several years directed the organization of chambers of commerce in this country and abroad and has supervised the information services of corporations, associations and foreign governments.

Commerce has granted the request of Siao Hen-yih for opening coal mines at Yang Sin, Hupeh Province, and that of Mr. Liu Huan, to register the coal mines at Siao Nan Hsiang, Chiu Hsien, Chekiang.

The Fengtien Civil Governor has petitioned the Ministry of Agriculture and Commerce to register the iron mines at Kung Chang Ling, Fengtien, a Sino-Japanese enterprise.

**Salt.** Tuan Shu-shen organized the Heng Hua Refined Salt Company at Shan Kang Chen, Sin Hsin Chang, Yangchow.

**Textiles.** The Hua Feng Spinning and Weaving Company has increased its capital.

Tau Chia-yan, formerly Salt Commissioner of Changlu, with a wealthy official in Kiangsi, has organized the Chiu Hsin Cotton Mill, with a capital of \$2,000,000. The mill will be established at Zing Kiang. Its temporary offices are at the residence of Mr. Tau, Bubbling Well Road, Shanghai.

**Iron.** The Ministry of Agriculture and Commerce has registered the China Iron Foundry, Ltd., at Woo-sung. It is organized by Yung Tsoong-chung and others with a capital of \$300,000.

**Confectionery.** The Mei Feng Candy Company, of Soochow, will soon be opened. Its general offices are at Tsi Chia Bridge, East Chun Shih, Soochow.

**Books.** A shareholders' meeting was held by the Chung Hua Book Company on December 3. The total business done was valued at \$1,480,000. The net profit gained was \$180,000. An eight per cent interest on the principal and one per cent bonus are to be given.

**Eggs.** The Fu Chen Egg Factory, of Shanghai, has been registered.

**Canned Goods.** The Tai Kong Canned Goods Company, of Shantung, has been registered.

**Electricity.** Hung Ao, of Sheng-chai, Soochow (Kiangsu), has obtained registration of the Shengshai Fu Sin Electric Light Co., established with a capital of \$15,000.

**Motor Service.** The Shanghai-Minghorn Long Distance Auto Service Company, has been organized to purchase land for road construction.

The Si Tang Motor Service Co., formed by Shensi merchants, plans to commence operations from Shenchow to Sian, a distance of 470 li. The building of the road and the purchase of cars will cost about Tls. 50,000, which is now being subscribed.

**Banks.** The Three Eastern Provinces Bank has been granted a charter.



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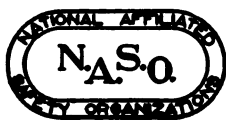
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The NASO Safety Devices were developed through the co-operation and at the expense of the associations comprising the National Affiliated Safety Organizations—the National Association of Manufacturers, 50 Church Street, New York City; the National Founders' Association, 29 LaSalle Street, Chicago; and the National Metal Trades Association, Peoples Gas Building, Chicago.

The NASO Devices are all sold at practically cost price, but any profits derived from sales are utilized for further research and development work along safety lines.

Information may be obtained from the Secretary of the National Founders' Association.

Ling Tan-yai and others, of Soochow, are organizing the Tung Hu Cooperative Bank, with a capital of \$500,000 in 100,000 shares of \$5 each.

The Shanghai Cooperative Bank was formally opened on December 4. The rate for annual deposits is seven per cent.

The Bank of Agriculture and Commerce, Peking, has established a branch at Hankow with a capital of \$1,000,000.

### SHIP FARES REDUCED

Reductions in first class passenger rates on steamships plying between New York and South American ports were announced recently by two large steamship companies, Lamport & Holt and the Munson Steamship Lines. The cuts range from \$100 on the fare to Rio de Janeiro to \$120 on the rate between New York and Buenos Aires.

The Munson Steamship Lines announced that a reduction in passenger rates would apply between New York and Rio de Janeiro, Montevideo and Buenos Aires. The new minimum rates, effective May 1, are as follows: New York to Rio de Janeiro, one way, \$315; round trip, \$550.

New York to Montevideo, one way, \$360; round trip, \$630.

New York to Buenos Aires, one way, \$370; round trip, \$650.

A special round trip rate for the Brazilian Centennial Exposition will be made effective later in the year.

Earlier the Lamport & Holt Line, which operates a fleet of four large passenger ships between New York, Rio de Janeiro and Buenos Aires, announced a drastic "adjustment" in the minimum passenger fares.

An announcement by the line said that the minimum fare, New York to Rio de Janeiro had been reduced from \$415 to \$315. From New York to Buenos Aires the reduction announced is \$120, or from \$490 to \$370. In addition, it was stated, after July 1, a special excursion ticket from New York to Rio de Janeiro will be sold for \$500 with a return limit of six months, this concession being granted on account of the Brazilian Centennial Exposition, which will be held from September 7, this year, until March 31, 1923. The pre-war, one way rate, New York to Rio de Janeiro, was \$160, and to Buenos Aires \$190.

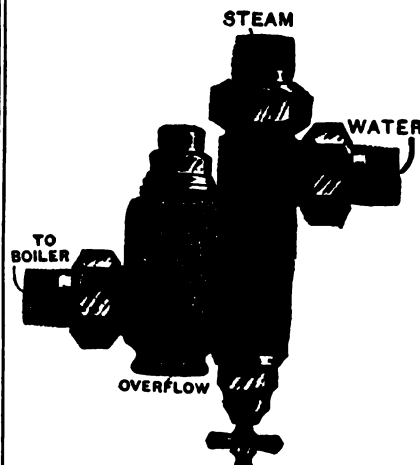
In February the Lloyd Brazillero announced a reduction of \$120 in its passenger fares between this country and the fore-named South American ports.

Rumors have been rife in shipping circles for several days that a cut in transatlantic rates is also being considered. The various lines engaged in the business are bound by confer-

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ence agreements, and no direct information could be obtained as to the reported intent. On the other hand, at some of the passenger offices the rumor was directly denied.

From other sources, however, it was learned that there is a proposal for an "adjustment," taking into consideration size and speed of vessels. What extent the proposed adjustment would take, could not be learned.

As has been previously pointed out competition promises to be keen this summer and fall for European and Continental passenger business. The Cunard Line has three big vessels, the *Mauretania*, *Aquitania* and *Berengaria*, besides the fleet of smaller vessels. The White Star Line recently added to the big ship class the *Homeric* and soon will have in service the steamship *Majestic*, the biggest ship afloat. The United States Lines will have its new *Resolute* here soon and a sister ship, the *Reliance*, will sail from Bremen the day the *Resolute* starts on its homeward voyage.

Other big lines, including the United States Line, the French Line, the Holland-America Line, the Royal Mail and the competing lines out of Canadian ports have all made known that additions to their fleets are to be made.

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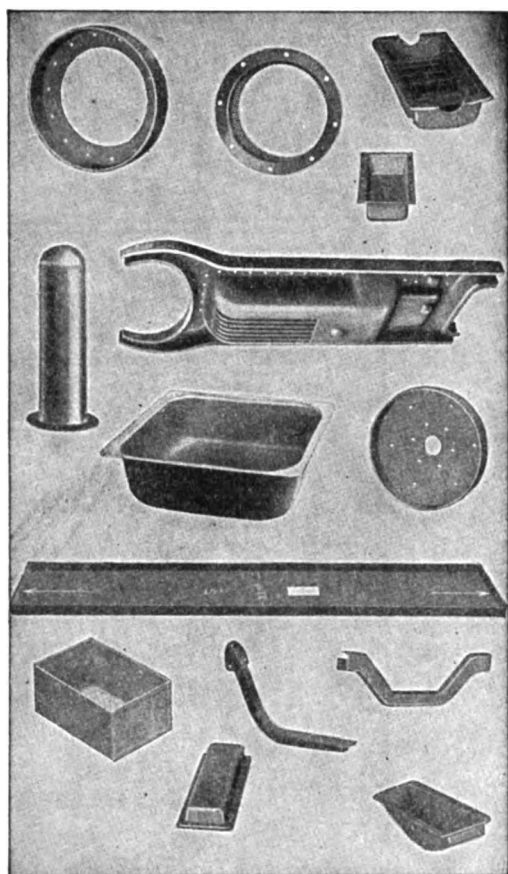
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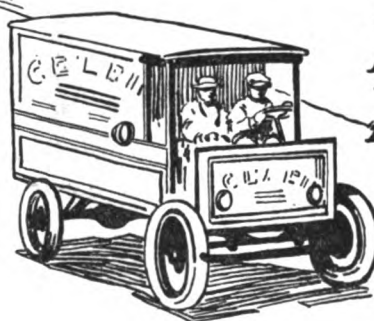
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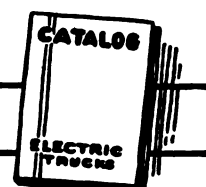


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# A Convention Of Constructive Ideas

*The National Association of Manufacturers' twenty-seventh annual meeting produces recommendations and suggestions for bettering conditions and presents a survey that shows improved business*

By D. M. EDWARDS

CONTRIBUTING a very definite expression of the return of confidence among the business men of the nation, and discussing practical problems of precise benefit to industry and to the nation as a whole, the twenty-seventh annual convention of the National Association of Manufacturers, held at the Waldorf-Astoria Hotel, New York, May 8, 9 and 10, will long remain fixed in the minds of those who attended. Perhaps the most encouraging phase of all the meetings was not so much the expressions of confidence but the air of quiet conviction in the business renaissance and the forward-looking spirit so evident on all sides.

These distinguishing marks, no less than the important nature of the subjects discussed and the prominence of the leaders in statecraft and business who discussed them, gave to the convention a character that was out of the ordinary. As a council of the great leaders in the nation's production, the importance of the meeting was recognized by the presence at its deliberations of representatives of the several arms of the national Government, among whom were two cabinet members, two members of Congress and the ranking Admiral of the United States Navy.

Those attending the convention sessions were fortified in their feelings of gratification at present and prospective business by the general tenor of the discussions which were all vital and timely. The viewpoints, whether those of business man, business analyst or student, statesman or legislator, had a common convergence in the conclusion that between honest commerce and honest Government there can be no possible enmity; that they are interdependent and that cooperation is essential to improving reviving business and to bringing about general prosperity.

High lights in the sessions were reached in the discussions on foreign trade, the business revival, the importance of maintaining an adequate Navy, the activities and limitations of trade associations and the possibilities of the motion picture as a factor in industrial education and sales promotion. The very intimate relation that exists between the state of a nation's merchant marine and its foreign

trade was vividly set forth in the foreign trade session Monday evening, when Edward C. Plummer, Commissioner of the United States Shipping Board, showed by the records of history that a nation that is indifferent to its merchant marine cannot reasonably hope to prosper in its foreign trade.

On the evening of Tuesday, at the annual banquet, Admiral R. E. Coontz, Chief of Operations of the United States Navy, made a splendid address bringing home to the manufacturers as never before, the real value of our navy in peace times and the great constructive work it is doing at all times and in all parts of the world. Almost at the time that persons in Washington were trying to force a too drastic reduction in the personnel of our navy, the admiral, step by step, built a structure of unanswerable logic for a United States Navy of adequate strength, not only as a measure of national protection but also as a very potent means of conserving peace and promoting our trade overseas. In the afternoon, through the courtesy of Admiral Coontz, an unusual compliment was paid to the National Association of Manufacturers when Vice-Admiral J. D. McDonald, gave a luncheon on board the battleship *Wyoming*, to the president and the board of directors of the National Association of Manufacturers. Admiral McDonald made a warm speech, pointing out the needs of the navy in time of peace and this was replied to by John E. Edgerton, president of the Association who said the organization would always stand behind any effort to keep our navy up to the proper strength and efficiency demanded by the nation's position in the world to-day.

The session of the convention which justified the business optimist more than any other was that of Tuesday afternoon, when leaders in business discussed the present situation and the outlook. As a seal on the consensus that the industrial stress had been weathered and the course to prosperity lay smooth and straight ahead, came the announcement by Mr. Edgerton of the result of a questionnaire on business and employment conditions

which revealed a situation justifying him in declaring that we had not only "turned the corner but were leaving it far behind."

The trade association round table Wednesday morning had an importance that was recognized by the attendance of Herbert Hoover, Secretary of Commerce, who presided and made an address. Mr. Hoover's speech was no set of mere formal expressions, but contained practical suggestions for the continued and orderly functioning of the associations which almost certainly will be resultful.

The closing session of the convention Wednesday evening was in several ways unique. It was in a sense the dramatizing of the spirit of the convention, since it showed in an extraordinary way an expedient successfully utilized to attain the essential object of the convention—the pro-

motion of sales and the advancement of business. There is hardly any doubt that the showing of the films that had as their sole purpose industrial exploitation was a revelation to manufacturers who saw the possibility of this medium, and the explanations of those who had tried the screen as a sales accessory were not less interesting and informing.

Among the more important resolutions adopted by the convention were those calling upon Congress for the maintenance of an adequate Navy, indorsement of the work of the United States Veterans' Bureau in the work of rehabilitation and vocational training, condemnation of the soldiers' bonus, approval of President Harding's advocacy of legislation for an American Merchant Marine, and a demand for tax reform.

**W**HEN the convention was called to order Monday afternoon, May 8, there were in attendance delegates from twenty-four widely separated states, and also from Hawaii, the Philippines and Australia.

The convention was opened by John E. Edgerton, the president, and after prayer and the regular order of business, the reading and discussion of the reports of the committees on Industrial Betterment, Health and Safety, Merchant Marine, Open Shop, Patents, and Taxation were followed by their adoption.

The evening session was devoted to a discussion of foreign trade, Mr. Edgerton delivering an introductory address. The set addresses of the evening were preceded by the reports of the Foreign Trade Committee and of the committee appointed to study recommendations made by Ambassadors and Ministers at the Association's Conference on World Trade in 1921.

This committee reported its findings on twenty-one recommendations made by the diplomatists the subjects including the customs tariff, long term credits, investments abroad, goods to suit consumer, transportation charges, direct steamship services, distributing centers, Chinese markets, parcel post extensions and economic conferences.

Commissioner Edward C. Plummer, of the United States Shipping Board, the first speaker, in his address on "The Relation of the American Merchant Marine to Our Foreign Trade," said in part:

"From the time when Sir Walter Raleigh hammered into the brains of English statesmen the fact that no nation which entrusted the carriage of its foreign commerce to alien vessels could be truly prosperous England has borne in mind that great commercial truth; and it is of especial interest to Americans to note that never since the Government of the United States was established has England permitted her rivals even to approach the point where they could carry one-half of her foreign-going cargoes. She never

has permitted the tonnage of the United States to equal the tonnage flying her flag; and when the United States was at the zenith of its shipping glory, possessing the finest types of ships—both sail and steam—the most that the United States and all other countries together could secure of the foreign commerce of England was forty-one per cent; and during the very days that Fourth of July orators are accustomed to refer to at those when we were leaders upon the sea, the ports of that little island alone had engaged exclusively in foreign trade a half-million tons more of shipping than the United States could show registered in that service.

"While we, by the Act of 1828, had exposed our ships to the competition of the world, England retained controlling preferences for her vessels up to 1850, or until her subsidized steamship lines had become established and her shipyards been put in a position to produce a type of tonnage which gave her advantages over competitors. These advantages she never has yielded, but how she took advantage of our concessions is shown by the fact that from 1830, when protection of our ships in foreign trade was removed, to 1850, when our subsidy-aided Collins line steamers began operations, the percentage of our foreign commerce carried in American vessels dropped from eighty-eight per cent to fifty-nine per cent; and only the fact that American shipmasters were so superior to British and had the commercial knowledge which enabled them to trade as well as sail, prevented much more serious losses. With the advent of the cable the knowledge of the home office became available to the British and American ships alike and that former advantage vanished.

The recognized truth that only through its own ships can a country properly develop its foreign trade makes it evident that only through such a merchant marine as we propose can the foreign trade of

this country be properly developed, and the industries of this country be given their proper opportunities. Shipping is a means and not an end.

"We, like England, must carry a majority of our foreign commerce or the prosperity of this country must be limited and imperiled. Support of an American merchant marine is much more than the support of a single industry. It is a support which is essential to all the industries of this country, and when this fact is once appreciated there can be no hesitancy on the part of anyone who is sincerely desirous of seeing this country prosperous, in giving whole-hearted support to any legislation that will give us an adequate merchant marine for our foreign trade.

"One very common plan apparently adopted for the purpose of misleading the public appears in the statement so often made that the United States aims to become commercially supreme upon the seas. No intelligent American aims at that. England as an island empire necessarily must have a great merchant fleet to enable her to control a majority of her foreign commerce. What thoughtful Americans desire is that the United States shall have a merchant fleet sufficient to enable this country to handle a similar proportion of its foreign commerce, and the proportion which England has insisted on carrying of her own foreign commerce, viz., from sixty per cent to seventy-five per cent, is good enough for us—but we should insist upon carrying as much as that in the interest of the people of this country.

"Theorists, or worse, who never had their money in American vessels, may make declarations, but the solid fact remains—that for forty years it has cost from twenty-five to fifty per cent more to operate American vessels than it did to operate foreign vessels; and the fact that strong American firms, like the Sewalls of Bath, Maine, whose people had been operating vessels

for nearly a century, who owned fine yards in which, with their own money they could build and repair steel ships, have been forced to sacrifice their fleets and abandon their yards to their own great loss, leaves absolutely nothing effective to be said. American ships cannot remain in the foreign trade without national assistance until they have become established and the advantages which their competitors now enjoy and for a long time have enjoyed, overcome.

"To claim anything else is merely to say in effect that we don't want American ships to carry any material part of the commerce of this country—that we don't want to enlarge the markets for American products or give increased employment to American labor."

A. Cressy Morrison, Chairman of the Advisory Committee of Manufacturers, gave an address in which he described the work and purposes of the committee of which he is the head; this closing the night session.

The morning session on Tuesday, May 9, which convened at 9:30 o'clock, was given over to the confirmation of committees, the reports of the committees on Rules and Order, and Credentials, the appointment of a committee to nominate directors-at-large, the reports of the treasurer and the secretary and addresses by Dr. G. W. Dyer, of Vanderbilt University, Nashville, Tenn., and Mr. Edgerton.

Mr. Edgerton's address follows:

"Out of the multitude of pertinent things that might be said by me on this occasion, I found it difficult to select even those of pre-eminent importance and compress them into such a compact parcel as to meet the transportation requirements for quick, safe, and economical delivery. The sacri-

fices evidenced by your presence here entitle you to compensations of larger value than that of mere entertainment. For, if at the end of our convention program you do not feel stronger and better equipped for the tasks ahead of you; if you have not become prouder of your membership in the National

Association of Manufacturers, and more firmly established in your faith in its capacity and will to serve efficiently your highest interests and those of the nation at large; and if your own desire to become more helpful in every program of constructive effort has not been strengthened and stimulated, we shall have measurably failed in our purpose and endeavor. It was the contemplation of these ambitious ends that made difficult the preparation for only a portion of the responsibility for their attainment.

"I am yielding not only to propriety but to my insistent consciousness of obligation to take this first opportunity to express to you my profound appreciation of every encouragement and support which you have accorded to me and my co-laborers during the past year of unprecedented trial of the Association's stability. I can not escape the conviction that except for your unflinching loyalty and that of many others who are not here to add the testimony of their presence to accumulated evidence of interest we would not have triumphed as signally as we have over the difficulties that infested our path. All honor to you privates in the ranks for the victories

## President Harding's Letter

THE WHITE HOUSE

Washington

May 3, 1922.

My dear Mr. Edgerton:

The annual convention of the National Association of Manufacturers is one of the really significant occasions of national interest, because it brings together so large and thoroughly representative a company of leaders in the national industrial field. The Association has by wise and moderate policies raised itself to an enviable position of influence, and has become a valued force in behalf of wise direction of public policies.

I have already indicated to you my regret at being unable to accept your invitation to attend and address the annual meeting, and I want to supplement what I said at that time by an expression of my earnest hope that the gathering may be productive of results calculated to encourage the industrial rehabilitation. Through such agencies as this, we shall best bring ourselves to a common realization of the essential soundness of American institutions and economic conditions, and of the certainty that the era of new prosperity is opening and is destined to be one of the brightest that our country has known. Our place in the world is assured; there is demand for the utmost that our great producing establishment can turn out; American ability, industry and character will not be denied the fruits of the leadership which they have won for us.

Very sincerely,

(Signed) Warren G. Harding.

Mr. J. E. Edgerton,  
President, National Association of Mfrs.,  
50 Church Street,  
New York City.

## Secretary Hoover's Appreciation

"I am glad," said Secretary Hoover, "to have this opportunity to express the appreciation of the Department of Commerce to the National Association of Manufacturers for the coöperation that you have given us during the past year. In the reorganization of our Department, by which we hope to render a greater service to industry, we have had the constant coöperation of your officers. On several occasions, in matters of special importance, we have had the privilege of advice from your President. On one special occasion, in the unemployment conference, he performed a great service as one of its important members, and you were all called upon to serve in assisting the country to pass through what was probably the greatest crisis of unemployment in its history. That we were able to do so is a monument to the voluntary associations of manufacturers and others, to which your Association so materially contributed.

"We thank the National Association of Manufacturers for its coöperation in other directions, particularly in connection with the reorganization of our service relating to foreign commerce."



that have been achieved.

"For particulars as to the association's activities, progress, and distinct accomplishments I shall content myself with the calling of your attention to the reports of other officers and committees. I regard it as necessary for me to touch only in a general way association events during the year just closed to draw from them such conclusions and make such observations as their significance warrants.

"I am happy to say that the instructions given by you at the last annual convention have been complied with fully. To the special committee of Inquiry authorized by you at that time and consisting of Messrs. Augustine Davis, William H. Barr, W. W. Hallows, J. L. Kimbrough, and C. E. Whitney, is due the lasting gratitude of this association for the excellent manner of their service. At great cost to themselves and with a most commendable example of self-sacrifice, they performed their duty conscientiously and efficiently.

"Then too, I would offend my own sense of justice and deprive yours of proper expression if I did not also commend in your presence the faithful performance of duty on the part of your directors, other officers, committees, and attaches, who have been charged by you with definite responsibilities. With whole-hearted devotion to the tasks imposed by your confidence and with zealous interest in the association's usefulness, they have wrought well.

"The directors of the association are distributed among all of the sections of our vast country. For many of them the distance to New York is very great and burdensome, and in one case it is as wide as the continent. Yet, four times a year they have been journeying to the general offices of your association, often at their own expense and always without compensation, to look after the affairs entrusted to them by you. Some of them have thus served many years and have never grown weary in their well doing. Out of such heroic spirit has this association been builded, and only by its continuing manifestations will it be perpetuated in its usefulness. I think I can say without offense to the genius of truth that, consistent with their unselfish records, not one of these faithful servants would hesitate to pay even the price of self-effacement if necessary to the better welfare of the association for which they have proven their love. Indeed, it is in that very spirit of unselfish interest that they have devoted themselves to the task of trying to work out such changes in our constitution and by-laws as might meet the rational requirements of developing conditions.

"I am permitted by them to say to you that as soon as practicable after this convention the entire membership of the association will have submitted to it for letter ballot some definite proposals whereby a new procedure in the election of directors and officers would be established. It will be sought in this new procedure to stimulate a larger interest in the association among all the members by extending to them the privilege of voting direct for directors whether they are at the convention or not. It is also expected through these changes of method to make more certain a national distribution of representation on the Board of Directors and to offer clearer guarantees of its responsiveness to the will of the membership. The proposals in concrete form are not submitted to this convention for action because they could not be prepared in time for the thirty days' notice required by the constitution, and because more particularly the directors were of the opinion that important changes in our organic law should be submitted to the judgment of the entire membership.

"Another plan agreed upon by your directors in which you will no doubt be greatly interested is one by which it is hoped to coördinate and unify through this association the efforts and activities of nation trade associations in all matters of common interest. It is contemplated by this plan that wasteful duplications and tragic conflicts and neutralizations of effort may be eliminated. Of course, the National Association of Manufacturers is the logical medium through which such a desirable unanimity of expression and action may be more easily secured. I think it is obvious to all who are familiar with the drifts of industrial thought and movements that there is not only a pronounced demand but an unmistakable necessity for such unification of the existing constructive forces in industry as will afford effective concert of action on questions of fundamental importance to all, and without impairment to group usefulness in matters of primary group interest. Indeed, it is quite manifest that on the whole manufacturers are their own worst enemies at times. They are sometimes so busily engaged cutting one another's throats on the battle ground of free competition that they don't even feel the stiletto of the common adversary until they are too weak to offer resistance. When two individual manufacturers or two groups of equal political power undertake to

urge opposite courses of action at Washington or elsewhere they might as well save themselves the expense and their representatives the embarrassment; for under such circumstances, it has always been and always will be that both will be disappointed and their adversary will get the stake. Nothing is, therefore, more clearly essential in American industry to-day than that its constructive elements learn to think and act in parallel lines on all questions involving fundamental principles. Thinking vertically is the natural movement of the normal human mind. Thinking horizontally is an art that has to be cultivated, and it often entails the sacrifice of individual pride of opinion. It is as essential to rational conduct that we think broadly as that we think clearly; for only by thinking broadly can we comprehend the other fellow's thought and keep in step with him to higher and better things.

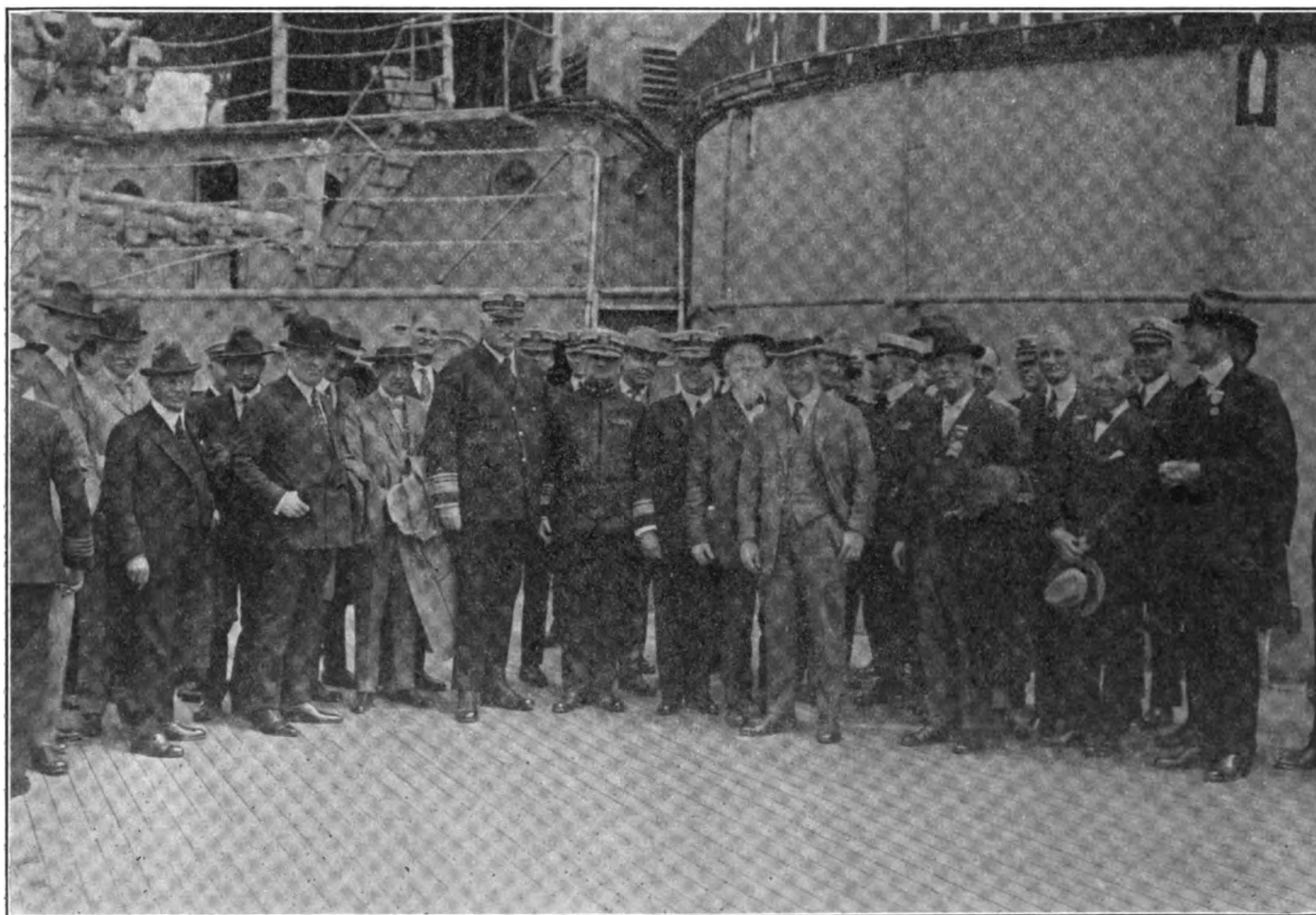
"The twelve months that stretch in an uneven course just behind us mark a period of test such as this organization nor any other of similar character has ever known before. Never has the necessity for organized coöperation been so great and clear. Yet, the very conditions which produced the necessity have made difficult also obedience to its voice. Thousands of industrial plants have been the silent witnesses of a disordered state, and millions of industrial workers have been either the voluntary dwellers in the tents of idleness or the involuntary victims of a depressed condition. It is not surprising under these circumstances that programs of rigid retrenchment should have been inaugurated by manufacturers whose margins of profit had vanished before the spectres of approaching deficits. But it is as strange as it is regrettable that under such circumstances men will invariably start their economies at the most vital points, and will cling to non-essentials at the expense of those things upon which they must ultimately rely for their relief. They are prone to forget that they who would escape helplessness must learn and practice the art of helpfulness.

"Churches, educational institutions, and other organizations of a philanthropic and constructive nature are strangely always the first to suffer from epidemics of economy. This is doubtless due to the fact that as a rule such influences in society are maintained out of surpluses that are not easily absorbed by self-indulgences. Consider for a moment the fact that while every street and highway throughout the land are crowded with automobiles that are burning expensive gasoline in the presence of self-imposed idleness; while high-priced

hotels, theatres, ball parks, and other camping grounds of amusement and non-production are enlarging their capacities to accommodate the ever-increasing army of refugees from the storms of life; while golf clubs, cigar factories, jewelry establishments, walking cane emporiums, pet dog kennels, canary bird dispensaries, and boot-legging joints are flourishing as never before in our history; and while the coasts of Florida and California, the Maine woods, and the hunting and fishing preserves of the North, South, East and West are teeming with the multitudes of the weary—the constructive forces of society with

our members who remain, we are stronger to-day for the tasks before us than we have ever been. The association's chief need at this time is for its members to become better acquainted with its purposes, ideals, and legitimate functions, and with its splendid facilities for serving its individual members and industry in general. Until a member visits our offices, comes into contact with their personnel, and familiarizes himself with the equipment which he helps to maintain, he cannot know what the value of his membership is nor the extent of his obligation to support it. No man can reasonably expect large

and to defend it successfully against criticisms from uninformed sources. Every manufacturer in the nation should know the way to Fifty Church Street, and no member of our organization should feel satisfied with a trip to New York if he has not called at the offices of his association. The same thing is true with respect to our offices in the Union Trust Building at Washington which are industry's strongest protection against legislative tornadoes and conflagrations. At both places any member will be heartily welcomed at all times, and he will often find that from one visit he can obtain unexpected services whose



President and Board of Directors of the N. A. M. on Board the Battleship "Wyoming" with Admiral Coontz and Vice-Admiral McDonald

marvellously increased demands upon them are at this moment suffering for the lack of adequate nourishment. It is no wonder that civilization laughs derisively at man's inconsistencies. It is no wonder that the question is still unanswered, 'when will we get back to the happy days gone by?'

"Considering these conditions and other obstacles to the association's normal growth which are well known to you, we have great cause for rejoicing that our net loss in membership has not been greater, and that because of our distinct achievements and the larger faith and loyalty of

dividends from his investment of fifty dollars in a membership unless he invests his personal interests with his money. Yet, there are those who manifest the expectation of larger returns from their detached support of the association than from all their other investments and activities combined.

"I want to urge you, Gentlemen, to get acquainted at your earliest opportunity, with your association, know its virtues at least as well as you know its defects, and thereby put yourselves in a position to support it more unreservedly and more consistently,

value will outweigh that of his annual dues.

"The National Association of Manufacturers should be and can be the most potent constructive force in the nation. It has a field of usefulness whose circumference coincides with the outer rim of the universe, and yet does not intersect that of any other organization of similar purpose. Its services are wholly sufficient to distinguish it from any other association of manufacturers and to justify support from all. It is the only national industrial organization that concerns itself with problems and principles

which are of primary interest to manufacturers of every trade and section, size and nationality. It has always been, is now, and always will be just what it deserves to be; and it will deserve to be just what the manufacturers of the nation have the will and manhood to make it. Like everybody and everything else, it may sometimes be served beneficially by criticism; but as a rule, those who are most lavish in criticism are least helpful in correcting the things that invite it.

"Perhaps, there have been and are now those of the unenlightened who ignorantly think and talk of this association as having been set up by the so-called 'big business' interests for the purpose of controlling all governmental processes and of opposing selfishly the aims and activities of others with whose program it does not agree. There is no denial of the fact that in every honest way we try to influence the course of legislation touching particularly those things that help or hurt American industry. That is not only entirely proper and within the scope of this association's functions, but we regard it as one of the sacred obligations of citizenship to coöperate with every department of our common government in the solution of all problems involving the common welfare. We proceed upon the commonly accepted theory that nothing is or can be of lasting value to industry that is not of equal value to every other class, group, or individual in this country. The industrial pay roll contributes more than any other one factor to the determination of the purchasing power of the American public, and the nation's purchasing power is prosperity's weather vane. Whatever the conditions may be otherwise or anywhere else, when the doors of any considerable number of America's manufacturing establishments close upon idle machinery or when they are materially crippled in their operations, a depression invariably stalks forth and lays the hand of stagnation upon everything else. Then, who but the demagogue, the ignoramus, or the unenergized village philosopher questions the right of big business, little business, or any other size of honest business to concern itself with the affairs of government?

"Every individual and group who have through honest processes and just practices builded big businesses are large contributors to the glory of our great country as well as to its aggregate wealth in which all citizens share. They have thus given conspicuous evidence of their capacity for helpfulness in governmental or any other matters requiring extraordinary quali-

ties; and did they not, when occasion offers, give their government the advantage of their experience and ability, they would be sorry citizens indeed. Surely there is not a little business in the world that is not striving with more or less of vision and energy to be a big business; and there is not a little man who would not like to be as big as the man whom he raises his eyes and voice to criticize or condemn. There is not now nor has there ever been a country in which it was so easy as in this one for a little business to grow into a big one or for a little person to become as great as his mental and spiritual boundaries will permit. Ours is a land of undreamed of opportunity such as none but a Christian civilization and the genius of democratic institutions could create. Every person has the privilege and opportunity of growing as big and rich as he wills to be and as time permits. Some, of course, are aided more than others by natural environments and hereditary endowments. But there are no barriers to the highest success in this country which any person of persistent ambitiousness and honesty of spirit, normal mental capacity, and unflagging energy cannot break through and conquer. The name of every man that appears conspicuously in the history of America was written by his own efforts, and on our national scroll of honor there is not a name that was forged by the hand of undeserved preferment or of a prestige that was not earned.

"Yet, the number of those who decry success and would impose hobbles upon the feet of those making the fastest progress in that direction seems to be multiplying with lamentable regularity. During the past few years in particular it has been apparently growing more dangerous for a person to outstrip his neighbor too far either in material or moral achievement. The penalties of success become more severe as those who would achieve it without earning it become more numerous. Many of those who have nothing want to divide it with everybody else, while others having more cupidity than the energy and intelligence to satisfy it honestly would legislate or otherwise force into their own pockets that which dwells in those of their more thrifty neighbors.

"Socialism, syndicalism, communism, and other mental and moral diseases with deceiving names are among our inheritances from the cesspools of foreign thought. Their germs are found not only among those who are unashamed of their infection and brazenly proclaim it, but with increasing frequency they are breaking out in our schools and colleges, churches and other centers

of so-called advanced thought, and in the Congress of the United States. These are the mere cutaneous symptoms of organic disorders that can not be cured by external applications of legislative poultices, but only by changing the attitude of the public mind by sterilized processes of education. This is one of the tasks to which this association can address itself and thereby justify its existence.

"I would be as untrue, Gentlemen, to my own real feeling as to my sense of duty towards you if I brought you a message on this occasion that should in any manner offer discouragement. On the contrary, my very fervent desire is to reinvest with optimism those from whose breasts it has fled, rekindle the flame of hopefulness where it has been extinguished by the winds of discontent, and stimulate with new faith and courage and energy the hearts of those who may have grown despondent. But even then, it is as necessary to take into account facts of unpleasant aspect or suggestion as those with which we are accustomed to dismiss our responsibility. When we reflect that we are even yet under the shadow of the most stupendous catastrophe of all the ages with its horrible details still fresh in the mind of the world, there is little in the present situation economically or morally that should seem strange and unexplainable. The story of the tragedy that filled the earth with rivers of blood, mountains of sorrow, and deserts of haunting waste needs not here be retold. It is the sequel with which we are now chiefly concerned. But in the lurid light projected by the dying embers of the world conflagration, we can see and understand at least some of the things that are transpiring to-day.

"It should be remembered that while war furnishes the fittest occasion for the exercise of noble quality, it supplies also the readiest outlet for the basest elements in human nature. The shock of the recent world struggle awoke and brought into heroic action a spirit of courage and sacrifice which the world knew not that it had and which thrilled with its exhibition the heart of all mankind. But it also brought into visible action all that is bad in human nature. These regenerated spirits of good and evil were not bound by the armistice which ended the physical conflict. But encouraged by the fruits of their efforts during the bloody encounter and by the prospect of a more unresisting attitude on the part of a weakened humanity, they have continued with increased energy their contest for supremacy in the affairs of man. And while the invisible battle between these spiritual forces still

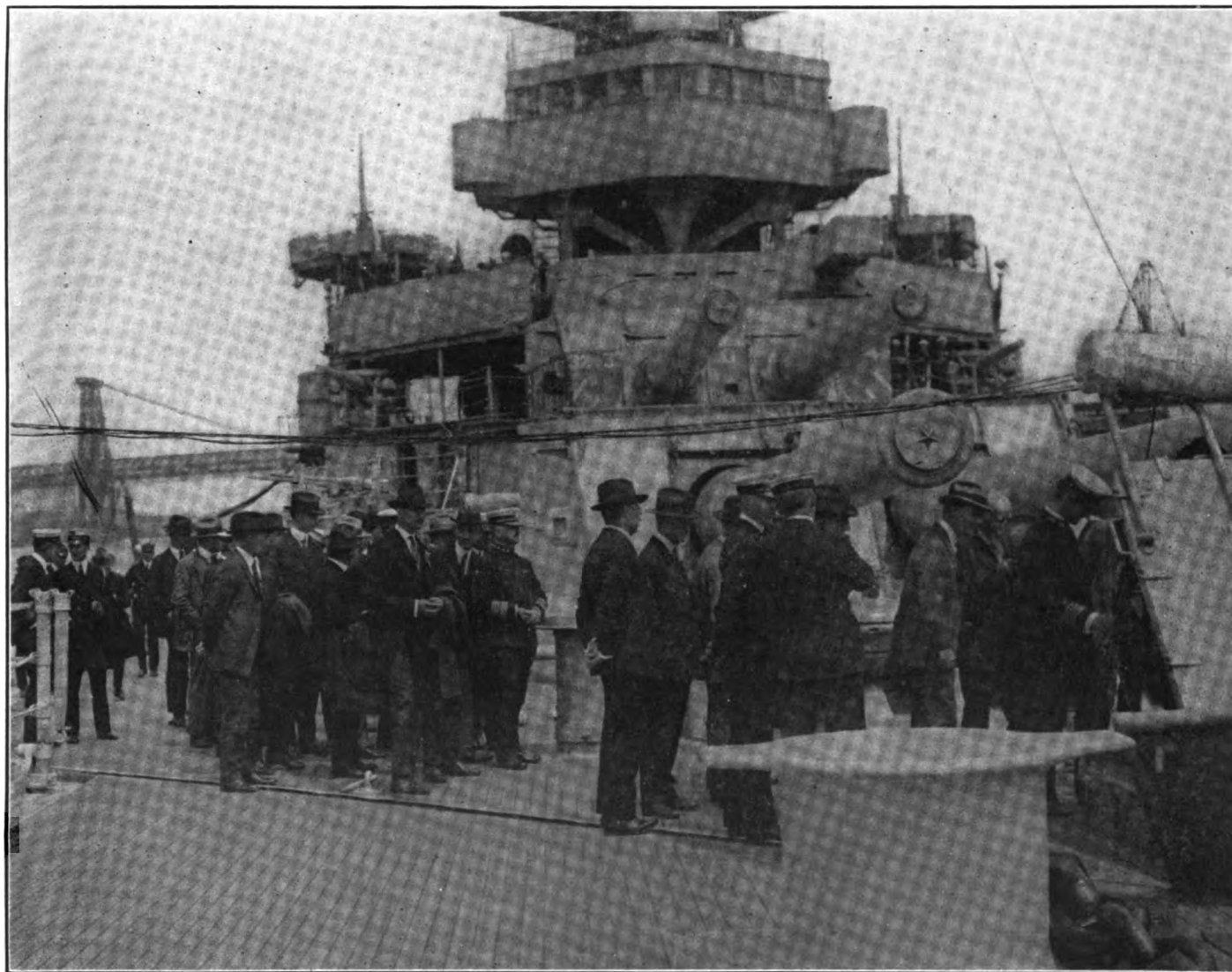
rages, civilization continues looking on expectantly through its tears. The war settled few things; it unsettled many; and never were the qualities of real soldiership more essential than now to the world's stabilization.

"In the glare of new opportunity unveiled by the hand of tragedy, men have been blinded to the unfamiliar face of strange obligation. The desire is manifest among many to get rich with the least possible effort and in the shortest possible time; and while they grasp with both hands for more of

posed of the disembodied spirits of unrest, impatience, intolerance, greed, envy, and invidious criticism of all things that are. It is deplorably true that some of those seasoned troops of the flesh upon whom we had reason to rely for resistance to these forces have torn off with their own hands their masks of unselfish service, have gone over to the ranks of the invading host, and are now laying siege to the treasury at Washington. In fact, there seems to be developing a battle between the government and a large

we cannot hope to solve permanently the existing economic problems without considering in connection with them the spiritual forces that influence human conduct. Careful scrutiny will always reveal at the root of every economic problem a moral problem which cannot be detached.

"The chief of all the economic problems of this hour is a world production sufficient for a world's needs, and a simplified system of distribution that will reach to every human being. The proportion of



Board of Directors Going Below on the Battleship "Wyoming"

material substance, they forget the eternal obligation to earn. During the war, standards of living were set up that cannot and should not in many instances be maintained. Some of the low got a taste of high life and are mad with an appetite for its continuance; while some of the high developed a new fondness for the low life and don't like to cease revelling in its mire. In the wake of the world struggle there has followed relentlessly an army of unseen forces moving through the earth and com-

number of citizens in this country to determine which shall support the other. In the names of Democracy and Progress, all sorts of legislative crimes are being attempted, the idea prevailing among many of the people that democracy means unrestrained and unrestricted liberty of thought and action, and that progress is the process of getting from one point to another without reference to the direction or the consequences of the movement.

"It is very obvious, Gentlemen, that

consumers to producers is too large, and the energies and talents of too many people are engaged in the processes of distribution. When you add to the superfluous number of the distributors of the products of the producers the countless host of those whose chief activities are to reform, regulate, inspect, denounce, tax, plunder, and otherwise live upon those who are trying to produce something, it will not be difficult to discover the principal factor in the continuing high cost of



living. To stimulate production and strip distribution of its superfluities will require reliance quite as much upon moral influences as upon physical and mechanical forces. The desire to do a thing is even more essential to its doing than is ability to do it.

"But we have in America, Gentlemen, all of the materials and brains necessary to the restoration of a wholesome condition throughout the country, and a large amount to spare to other more unfortunate peoples. And in spite of the innumerable obstacles ahead of us at the beginning of our march towards stable conditions, and of the many yet unsurmounted, I am one of those who believe that we have made all of the progress that we could have reasonably expected to make in so short a time after the world cataclysm, and that we shall continue with probably occasional halts to the heights of a national and world greatness not hitherto known. To be sure, we have some lessons yet to learn in sacrifice, courage, and faith, and there are several major problems yet to solve. But there is no job too big for America when its substantial citizenship joins hands and hearts in attempting it.

"For the attainment of the ends towards which civilization is striving through a maze of economic and moral processes, it appears to me that the hand of obligation rests upon no shoulders more heavily than upon those of the manufacturers of the nation, and that to them as to no other class the finger of duty points. I say this because I heartily believe that no other class of citizens has had as ample opportunity for the development of the qualities of leadership in all things of a constructive character. I think that manufacturers in general have a more intimate knowledge of the operations

of economic law, a broader experience in organizing and utilizing the abilities of men, and a clearer understanding of human relationships than any other group in society. The overwhelming majority of them were employees before they were employers, they have felt the sting of want and the lash of necessity, and better than anybody on earth except the people they employ, they know the viewpoint of the wage-earner. With all of these superior advantages, gentlemen, we cannot escape recognition of our superior responsibilities and obligations.

"If the National Association of Manufacturers can be the instrument by which the manufacturers of the nation may be made conscious of these high obligations, and the medium through which they can and will perform them, it will be serving the purpose for which I conceive it to have been founded and will be one of the most dependable safeguards of America's cherished traditions, liberties, and institutions. With honest motive, clean methods, and a clear vision of what we can and should be as a constructive force in the nation's life, we shall move forward and upward, conquering all obstacles that may beset our path. I should like as a concluding suggestion to have you think of our association in the spirit and terms of the poet's sentiment embraced in these lines:

"Build thee more stately mansions,  
O my soul,  
'As the swift seasons roll.  
'Leave thy low-vaulted past,  
'Let each new temple, nobler than the last  
'Shut thee from Heaven with a dome  
more vast  
'Till thou at length art free,  
'Leaving thy outgrown shell by life's  
unresting sea."

## Business Revival Session

A. Cressy Morrison, Chairman of the Advisory Committee of the National Association of Manufacturers, presided at the opening of the business revival session Tuesday afternoon, May 9, introducing the first speaker, J. R. Howard, President of the American Farm Bureau Federation, Chicago. Mr. Howard, whose subject was "The Farmer and Industry," at the outset declared that, as a business man engaged in the biggest business in America, the farmer is more interested in business revival than any one else. "Like the manufacturer," he said, "the farmer must find a market for his product, and he is now vigorously demanding the right

and privilege through his coöperative organizations to market his product to the ultimate processor or consumer."

Mr. Howard sketched the things the farmer and the manufacturer have in common in the conduct of their businesses, which included problems concerning labor, marketing, financing, wastage and efficiency. The principal among the points of difference between the urban and the rural "factories," he said, is the ability to control production, which is denied to the farmer because he is not sufficiently provisioned to meet the up-keep of an idle twelve months. Full prosperity, he said, will not come again

until a normal relativity in prices is re-established, and this relativity is only possible through normal production and efficient and economical distribution.

"Work, more work and still more work." Mr. Howard declared were the three things most needed in this country at this time.

President Edgerton took the chair at the close of Mr. Howard's address, and introduced the next speaker, R. C. Marshall, Jr., General Manager of the Associated General Contractors of America, who spoke on "The Greatest Revival in the Construction Industry." Contrary to popular opinion, he said, the gross volume of contracts let in 1921 was ninety per cent of that let in 1919, although the promised boom in the industry did not begin until last December.

That month and every month since then except January, he stated, had been a banner month for that particular month and there was no indication that the record would not continue for the next three or four months. In fact, the volume of contracts awarded in April he said, was the greatest in the history of the country. Mr. Marshall warned that the two important factors that might intervene to halt the forward march of construction were the coal strike and the car shortage. As yet there has been no pinch felt from the strike, but he feared if it lasted another ninety days it would bring distress to the industry.

"The Outlook for Coal" was stated by J. D. A. Morrow, vice-president of the National Coal Association, Washington. Mr. Morrow explained at the outset that he spoke only for the bituminous industry, which, he declared, had an annual production about five times greater than that of anthracite. The United States, he asserted, has had and still has the cheapest coal of any of the great manufacturing nations. The coal industry was highly competitive, he said, and it was impossible for bituminous producers to restrict production or to fix and maintain prices; neither is it a seasonal industry, save in so far as household consumption is concerned. In fact, he stated, it is the steadiest of all the great industries of the United States.

After stating the issues in the present strike—the way in which negotiations are to be carried on, the wage scale, the check-off and hours of labor—and explaining the contentions of the men and of their employers, Mr. Morrow said that after six weeks of the strike there are still nearly 50,000,000 tons of bituminous coal in storage which the nation can draw on as a reserve. Production is increasing, he said, and is now about 4,000,000 tons a week. Against any feeling of alarm



as to the consequences of a prolongation of the strike, he opposed the assurance that an increase in demand for coal will have the effect of starting up many mines that have been shut down and are idle simply and solely for the lack of orders.

W. Averell Harriman, president of the United American Lines, New York, in his address on "The Future of Our Shipping Industry," said, in part:

"In my opinion we are never going to have an American merchant marine unless the United States Shipping Board analyzes its fleet, defines what part of the fleet is necessary within maximum and minimum limits, to develop our commercial trade, and sets the balance aside to be sold as promptly as possible to foreign buyers or to be scrapped. It is an essential part of our program that new ships should be built and under the loan fund plan, if it is extended and properly handled, a sensible method is provided to make up the difference between the construction of ships in this country and abroad.

"The ships that you are primarily interested in are the cargo liner type of ships, which is of sufficient speed to give the services that are required, of sufficient size and having the proper equipment and especially built in most cases for every trade. We don't want a merchant marine unless it is to be the most efficient. In order to do that there must be the greatest coöperation between the shipper and the shipping companies.

"The final important factor is agencies abroad, and in this respect the American merchant and exporter can coöperate to the greatest extent with shipping. I look upon shipping purely as an adjunct to our export and import trade. It is essential for the success of our shipping business that Americans should be on the other end of the line. It is of great help to the exporter in carrying the overhead expense of such an organization, if he can be the agent and obtain the usual commissions from a steamship company. It is a business that the merchant must carry on, but it is a business in which the shipping companies can coöperate through the assignment to them of their agency. In that way the double purpose of your export trade and the needs of American shipping can be solved."

"Coöperation" was stressed as the paramount requisite in the address by Senator Walter E. Edge, of New Jersey, on "The Duty of Government to Business." Senator Edge's address was, in part, as follows:

"My conception of the duty of government to business, is that the power of government—and its power is

really unlimited, excepting by the Constitution—and that the duty of government to business should be a recognition that government can coöperate with business in so many ways, that it is almost impossible in a short time to even attempt to discuss them. Congress has demonstrated its willingness in its desire to bring the agricultural group up to a standard which from their viewpoint will tend to encourage them in feeling that they are moving side by side in progressive advancement with those engaged in industry; and in that connection they have passed legislation which removes agricultural associations from the operation and control of the Sherman Act.

"The business men as far as my contact with them is concerned, have not asked for that consideration. I believe they are entirely satisfied under present conditions if the government will tell them just where they are at, in plain English. They are perfectly ready to be controlled by the Sherman Act and the Anti-Trust laws, if they can have some intimation through some properly delegated governmental tribunal as to what they can and cannot do representing their various groups of industries.

"We have reached a stage in this country where business cannot go on without restraint. You must accept to-day one of two things: continued investigation and court inquiry with its attendant litigation and expense and troubles, or a certain amount of governmental supervision. I won't say supervision, I hope coöperation.

"If the business men of this country want to help to lift themselves out of this position where they are afraid almost to move, then they must come to Washington and help those men—the Secretary of Commerce and the Attorney-General, and those members of Congress who believe that the government should give you that information and that help."

Mr. Edgerton at the close of Sena-

tor Edge's address announced the result of the questionnaire sent out to members of the National Association of Manufacturers relative to present business and employment conditions and the outlook for the fall.

The impression prevalent, not only among workmen but also among those who assume to direct them, that the dividends of a corporation are greatly in excess of its disbursements to labor and its other expenses of operation, was discussed by C. M. Ripley, of the General Electric Company, Schenectady, in the introductory part of his address on "Interpreting the Corporation to the Worker."

Mr. Ripley described an educational lecture prepared at the suggestion of various General Electric executives, to show in pictorial form and in simple language the inner workings of the company. The lecture shows that the materials needed for building the company's product come from the four quarters of the world. The sales organization of 6,000 employes is described, together with the fifty or more sales offices in the United States and some of the problems of the sales department are discussed and illustrated.

"The corporate organization of the company is described and illustrated by a chart showing relation of stockholders, board of directors, executive committee, general officers, advisory committee, manufacturing committee, etc.," he continued. "The distribution of each dollar of the company's income was graphically illustrated, by piles of pennies. These facts give the employee an understanding of the relationship between sales billed, payroll, cash dividends, and stock dividends."

Prior to the Tuesday afternoon session, Mr. Edgerton and the Board of Directors were the guests of Vice-Admiral J. D. McDonald at luncheon aboard the battleship *Wyoming*, in New York Navy Yard, where they were greeted by Admiral R. E. Coontz, chief of operations, who had come to New York to deliver an address at the annual banquet of the Association.

## The Annual Banquet

The banquet was held in the grand ballroom of the Waldorf-Astoria, Tuesday evening, and a brilliant assembly of army and navy officers, delegates and their guests, among whom there were many ladies, were at the tables. Mr. Edgerton opened the speech making in happy vein, and after proposing a toast to the President of the United States, he read a letter from Mr. Harding, regretting his inability to be present and extolling the work of the Association.

James A. Emery, general counsel of the National Association of Manufacturers, as toastmaster then introduced Admiral Coontz, prefacing his presentation of the speaker of the evening with a brief but eloquent tribute to the services of the Navy, declaring that "it is the proudest memory of an American that it (the Government) has always operated a successful Navy."

Addressing himself to the subject, "Why the United States Must Have

an Adequate Navy," Admiral Coontz, said:

"The property value of the Navy, that is, the value of the ships, shore stations, and supplies amounts to over \$3,000,000,000. It seems hardly necessary to state that we must appropriate enough money to maintain and to operate the Navy efficiently. We should have a Navy of sufficient strength to support our policies and our commerce, and to guard our continental and overseas possessions. Our foreign policies are as strong as our fleet and no stronger.

"Our people have always been inclined at the end of each war to 'wreck the Navy.' At the conclusion of the war of the Revolution we 'wrecked the Navy' and disposed of every single ship. Shortly after we became an independent country and had wrecked our Navy, the pirates of the Barbary Coast seized the wheat we had been shipping into the Mediterranean markets. Congress, to protect our trade, was, therefore, forced to make an appropriation to build fighting ships. So when the farmer in the great West asks why he should be taxed to build battleships, you can tell him that we built our first man-of-war in 1794 in order that his wheat could safely be delivered to foreign markets.

"The Navy has done important work in the interests of our foreign commerce by opening ports to trade. As soon as our men-of-war had defeated the pirates of Algiers, Morocco, Tripoli and Tunis, the fleet proceeded to Turkish waters. Smyrna was the only open Turkish port at this time. The Navy commander of our squadron negotiated with the Turks for some years, but finally succeeded in opening the ports of Turkey to our trade. The Navy also opened the ports of China to American commerce in 1842.

"The Navy Department has divided the whole world into areas and has assigned an Admiral with a squadron of ships to protect American lives, property and commerce in each area. It costs the Navy some \$3,000,000 a year to guard our interests in the Asiatic. Our exports to China in 1920 were valued at \$145,000,000. The Navy maintains a force of destroyers in Europe for the purpose of guarding our interests in the Eastern Mediterranean and in the Black Sea. The Greeks and the Turks are at war and our interests are therefore in need of protection. We have large tobacco interests in the port of Samsun, on the Black Sea. In fact, eighty per cent of the Turkish tobacco exported from Samsun is shipped to the United States. The value of this tobacco amounts to \$15,000,000 annually.

"Americans have large oil interests

in Roumania and these are protected by our naval forces. It costs the Navy annually some \$4,000,000 to maintain our forces in European waters. This is mentioned merely to show how the navy money is spent in time of peace and how it benefits your commerce and therefore your prosperity.

"Naval forces are maintained throughout the Caribbean Sea for the purpose of keeping down revolutions, protecting life, and protecting our commerce. Our fruit trade throughout the West Indies is enormous. In 1921 we imported fruit valued at nearly \$50,000,000 and a great deal of this came from countries bordering the Caribbean. Our wheat exports have increased so that at present wheat valued at more than three-quarters of a billion dollars is exported annually. It is only the ships of the Navy that keep the doors open to foreign markets.

"The men on our plantations in the South are equally interested in foreign markets, as our exports of raw cotton amount to over \$600,000,000 annually. Our manufacturers are equally interested in maintaining the open door the world over, as our factories export machinery products valued at over a billion dollars a year. In fact, our total exports annually are valued at eight billion dollars. If we spend \$300,000,000 a year on the Navy, and thereby maintain an open market throughout the world for \$8,000,000,000 worth of exports is this not a good investment? Money spent on the Navy serves the dual purpose of insurance in time of peace and a fighting force in time of war.

"There are many who think that our power as a great nation rests on the strength of our fighting ships. Such is not the case. 'Sea Power' is the basis of our real strength. By 'Sea Power,' we mean a combination of all means by which we can gain and keep control of the sea. The first great element of sea power is the fighting ship, the second is the merchant ship and the third element is the base. A seaport well equipped with drydocks, repair facilities and food supplies is a commercial base. Such a base, if protected in a military way, becomes also a naval base. Fleets cannot operate unless they are attended by a large number of auxiliaries. It is vital for us to develop our merchant marine and to develop our bases if we wish to be a real sea power, and to be one of the first powers of the world.

"Many think that if we grant a subsidy to our merchant marine, we are giving money needlessly to our shipowners. If we export products valued at some \$8,000,000,000 annually, and ship this great quantity of material in foreign bottoms, we are obviously paying thousands of dol-

lars in freight charges to foreign shipowners. This money then goes to foreign shipbuilders, foreign shipyard workers, and to foreigners in all walks of life. Other great powers have found it necessary to subsidize their merchant marine in order to build up a merchant fleet. Why do we not profit by their example and subsidize our merchant men in order that we may spend millions of dollars annually in our own shipyards and in our own factories?

"It is quite appropriate in discussing the fleet to discuss the number of men needed to man this fleet. The Navy does not contemplate keeping all our ships in commission in time of peace, as this would require over 120,000 men. After an exhaustive study of the question the Navy Department decided it would ask for 96,000 enlisted men and apprentices. Congress will probably vote the funds to provide for a Navy of 86,000 men. The Navy Department will use every endeavor to make this number of men effective. There will be under this apportionment no destroyers and no submarines in reserve; they will be put out of commission.

"There seems to be a general impression that the Treaty Navy consists of 18 battleships with little else. As a matter of fact, the Treaty Navy consists of 18 battleships, and five plane carriers, and all the cruisers, destroyers, submarines, mining ships and auxiliaries we choose to build. While it is true that with 67,000 men we could man 18 battleships, with this number of men we could not efficiently man the other types of ships necessary to make up a balanced fleet. The Navy is unanimous that we must have all types of ships in commission in time of peace, and the Navy is in accord that we should not go below the number of men for safety and emergency.

"It is a popular fallacy to think that a holiday in battleship building will bring a great reduction of taxes. The people do not appreciate that the cost of government involves four great budgets, and not merely the budget passed by Congress. They are: the National budget, the state budgets, the county budgets and the city budgets. The Federal budget comprises hardly one-third of the total cost of government. Here in New York City the people must raise some \$400,000,000 annually to meet the state, county and city budgets. This means that the per capita cost of state, county and city government in New York City is about \$72. The cost for the whole Navy, if Congress appropriates \$300,000,000 for it, will be less than \$3 per capita. If therefore the whole Naval appropriations were eliminated,

the per capita cost in government in New York City would be little reduced.

"A slight study of history is sufficient to show that disarmament will not prevent war. At the end of our Revolution we put total naval disarmament into effect, and almost immediately had to start building men-of-war in order to get our products to a foreign market. What would happen, as a matter of fact, if all powers in the world sunk every fighting ship in existence? Upon the declaration of war, our merchant ships would become men-of-war. It would merely be necessary to put guns on our merchant ships and the big ocean liners would be converted into battleships and the fast yachts into cruisers and destroyers.

"Many of the pacifists seem to think that military forces are only bent on destruction. As a matter of fact they are really constructive. Wherever they go, they better local conditions, establish schools and improve public health. Panama at one time before we went there was a fever infested place where human beings died like flies. It can truly be said that our armed forces have saved more lives than they have taken."

J. Stanley Webster, Representative in Congress from Washington, formerly Associate Justice of the Supreme Court of the State of Washington, in his address, "Better Business and Better Americans," spoke of oppressive tendencies in Government, particularly as exemplified in inequitable taxation.

The paramount duty of Government he stated to be the protection of persons and property, and the

right to do business antedated Government and in no sense was derived from it. The only room for legitimate Government, he said, so far as business is concerned, was to insure equality of business opportunity and to safeguard the public or mass interests against monopolistic abuses by business. The great and multifarious changes wrought in life and habits by the development of civilization, he asserted have necessitated a more active and more detailed intervention by Government in the supervision and regulation of business, but pure and gratuitous intermeddling by government in private enterprise is tyranny of the most hateful and hurtful kind.

He deplored a tendency on the part of government at the present time to indulge over-much in the intermeddling in private enterprise, and said that business was entitled to know what is expected of it by Government, and that without unnecessary delay. He characterized the present taxing system as a departure from the old system of grading taxes by the ability to pay and substituting for it a system of placing the entire burden of government on the shoulders of the so-called rich, a system as economically unsound as it is dishonest.

He warned that if the nation is to maintain its industrial supremacy in the world it must abandon the folly of forcing capital into idleness and non-production by harsh and unjust taxation.

Just before the diners left the ballroom Captain C. T. Vogelgesang, commandant of the Third Naval District, cordially invited them to visit the Navy Yard in Brooklyn, assuring them of a warm welcome from the officers stationed there.

other economic groups.

"(2) The above purposes are open to the common interest of a whole trade, not a fraction of it.

"(3) The purpose of these associations do not include control of price or profits, production or distribution.

"(4) These associations may be dissolved instantly without any disturbance of capital or production."

Mr. Hoover was followed by Alfred L. Reeves, president of the Trade Association Executives of New York, who spoke on "The Educational Value of Trade Associations". Mr. Reeves defended most trade organization activities, and enumerated many of their benefits, dwelling at length on the work of standardization. Legitimate trade associations, he asserted, do not want exemption from the terms of the Sherman Act, and he stated it as his belief that further legislation will not help in the development of trade associations.

"I doubt if we will get very far," he said, "by asking a governmental body how far we can go in our actions, as their opinions will too often be too conservative. What we need is full prosecution of the present laws rather than new ones. If this were done Mr. Hoover's 'twilight zone cases' would soon be cleared up. The business man will know what is right and wrong in his own mind."

In the discussion of Mr. Reeves's paper, C. B. Heineman, of the Institute of American Meat Packers, Chicago, said he believed trade association work should constitute, first, education of members, and, second, education of the public. No price or curtailment of production talks is permitted in his association, he declared.

Morris L. Ernst, counsel of the Jewelers' Board of Trade, New York, discussing the "Value of Trade Associations to Administrative Agencies of the Government", made a plea for a governmental survey of trade association activities in representative industries, and for a "model association" plan worked out by government experts as the result of such an investigation. There were in the United States 25,000 associations, he said, many of which were duplicating the work of others and few of which were so co-ordinated with other trade bodies as to render a maximum of service. He urged the necessity of better organization. Price regulation by trade associations, "so long as the public has a finger in it", was favored by Mr. Ernst, who said he was for licensing trade associations because he believed it a first step to price fixing and the scientific curtailment of production.

Henry C. Walker, of the Walker-

## The Trade Associations

Wednesday morning session was a trade association round table at which Herbert Hoover, Secretary of Commerce, presided. Introduced by Mr. Edgerton, Secretary Hoover in his address made acknowledgment of the cooperation his department has had from the National Association of Manufacturers. To remove the uncertainties regarding the legal extent of trade association activities. Mr. Hoover suggested the enactment of a minor extension of the Clayton Act to permit trade associations to file a plan of operations with some government authority and obtain official sanction for their work.

Filing of the plan of operations by any association would be made optional, he explained, but those who failed to avail themselves of the ar-

rangement would be liable to prosecution if their activities should conflict with the various trade regulatory acts. The Secretary spoke in praise of "the legitimate and advantageous trade associations", which, he said, "perform some thirty-odd different functions in the interest of their members and the public at large," only a minority undertaking activities that have been called into question. The four important differences possessed by trade associations as distinguished from capital consolidations he stated to be:

"(1) Their objectives are simply to lessen production and distribution costs or losses, to increase consumption of their special commodities, to facilitate even and steady supply, to protect their rights in relation to

Longfellow Co., Boston, discussing Mr. Ernst's address, emphasized the need of publicity and education of the public as to what the trade associations are trying to do. American business, he declared, needs to "sell itself" to the public and the only method open to it to combat disruptive propaganda is that of publicity of its aims and purposes.

C. S. Lee, of the Asphalt Association, New York, in the absence of H. B. Thompson, counsel of the Proprietary Association, Washington, who was to have spoken on the "Relation of Trade Associations to State and Federal Legislative Bodies", led the discussion of this phase. Trade associations, he believed, had suffered as much from the meddling of professional lobbyists and political demagogues in Congress as they have from the policies of that small per centage of their number who have run afoul of the government. The vast majority of the associations, he said, were organized strictly in compliance with the law and conducted themselves within the law. Largely through their instrumentality business had come more fully to a realization that a favorable public sentiment renders its relations with legislative bodies easier, and now business was inclined to take the public into its confidence, the government was encouraging a better understanding of business problems and there were better relations all around.

Edward H. Binns spoke of the confusion and misinterpretation of the Sherman Law and asserted that nothing in the law provided for the illegality of the restraint of free competition. He added that there is not a national statute in existence that prevents any organization from engaging in the restraint of competition.

C. R. Stevenson, of the Stevenson Corporation, New York, in his address on the "Value of Trade Associations to Management and Employes," defended some of the "open price" work of trade associations and intimated that an important part of the work of these associations was to gather figures that will provide intelligent competition. If properly operated, trade associations, he said, could be of great value to the public, to employes and to management. Through ignorance of production costs and unfair competition business was injured, he argued, and consequently management did not get its profits, and labor lost in lower wages and poor working conditions. These fundamental defects, he said, could be remedied by trade associations. The benefit to the public, he indicated, came through the lower prices brought about by the better management re-

sulting from trade association improvements.

J. D. Ramsey, president of the Elk Fire Brick Co., St. Mary's, Pa., led the discussion on the development of policies, (a) by Board of Directors or executive officers, (b) by referendum to members, (c) by convention action. The greatest advantage of the first plan, he said, was that it generally permitted prompt action in an emergency involving the association of a large number of its members. Its principal disadvantage was that it did not always reflect the mind of a majority of the members. The referendum method had the advantage, he believed, of being the most economic and of bringing to the surface some valuable opinions, but it was difficult of execution because of the engrossment of a large majority of the membership, who would not take time to read long explanatory bulletins. The convention method had to recommend it the fact that policies so formed usually followed free and full discussion. The disadvantage, he summed up in the adage "large bodies move slowly."

A. F. Allison, secretary of the International Association of Garment Manufacturers, in discussing Mr. Stevenson's address took issue with him, declaring that the "greatest evil from which all business suffers is not unfair and excessive competition, but the causes back of that condition, which were lack of business morals, lack of intelligence, lack of training,

consistent study and hard work." To supply these deficiencies, he concluded, was the task of the trade association.

Secretary of Labor, James J. Davis was the only speaker at the Wednesday afternoon session. The Secretary outlined a plan whereby he hoped to bring about permanent settlement of industrial strikes, the essential feature of which is the addition to the division of Federal conciliators of a group of specially trained men, each of whom will know one major industry from the inside out. He would have each such expert devote his time to clearing disputes and strikes from the path of its development. In case the issues in dispute in any one industry are so involved as to be beyond the power of its particular mediator, he suggested a board of arbitration to include all the other specialists.

Secretary Davis made a plea for the maintenance of the "saving and earning wage," which he said the wiser kind of American employer had been paying for years. He urged that industry curb excessive wage reductions, which he regarded as dangerous to prosperity in that they impaired the purchasing power of the great body of consumers. He suggested that further deportations of radicals already here might take place if the Shortridge-Johnson bill, now before Congress, is passed, and he reiterated his pleas for a selective immigration and declared for legislation that would make the deportation of radicals an easier matter.

## The Election of Officers

At the annual election which followed this discussion, Mr. Edgerton, the president, Henry Abbott, the treasurer, and George S. Boudinot, the secretary, were re-elected.

The following vice-presidents were elected for: California, Constant Meese, San Francisco; Connecticut, Charles L. Taylor, Hartford; Illinois, E. B. Leigh, Chicago; Indiana, J. L. Kimbrough, Muncie; Massachusetts, Frederick H. Payne, Greenfield; Michigan, John Trix, Detroit; New Jersey, Enos Paulin, Bridgeton; New York, Augustine Davis; Ohio, Jos. H. Frantz, Columbus; Pennsylvania, Hays H. Clemens; Rhode Island, George H. Wilson, Providence; Wisconsin, A. J. Lindeman, Milwaukee.

The directors-at-large elected were: William H. Barr, Buffalo, N. Y.; R. W. Nelson, Jersey City, N. J.; Geo. L. Markland, Jr., Philadelphia; Clarence E. Whitney, Hartford, Conn.; A. H. Mulliken, Chicago; William P. White, Lowell, Mass.; and Howard Heinz, Pittsburgh. President Edgerton and Treasurer

Abbott, and Ex-Presidents Kirby and Mason are ex-officio members of the Board of Directors.

Mr. Edgerton then announced the appointment of Earl Constantine, executive secretary of the National Industrial Council, as assistant to the president, with offices in the association headquarters. Mr. Constantine will have direct and active charge of the offices, carrying on the executive policies of the association in the absence of the president and making decisions in cases ordinarily referred to the president. The president will thus be enabled to direct the affairs of the association in its larger aspects, from his own offices in Nashville, Tenn., and spend the major part of his time taking up the industrial problems with the leaders personally in every section of the country.

Mr. Constantine was appointed national field secretary of the National Industrial Council in 1916. When the war started he enlisted in the Army

(Continued on page 26.)

# Chicago's War On Labor Crime

*Saturnalia of murder, arson and bombings of innocent persons results in swift action by an outraged community and the organization of the citizens for a finish fight for law and order*

*Symposium written especially for AMERICAN INDUSTRIES*

By EDWARD E. GORE  
F. W. ARMSTRONG  
HENRY B. CHAMBERLIN

OUT of a saturnalia of murder, arson, bombings, shootings, sluggings and the threats and terrorism of a labor union tyranny born of its open and unashamed repudiation of good faith, Chicago, outraged and humiliated, has been aroused to a point of just rage where she is determined that the intolerable situation must be ended now and finally.

After months of more or less furtive violence, of intimidation and blackmail of workers and employers alike, of bribery and corruption on so stupendous a scale as to assure immunity, the operations of the labor oligarchy grew in boldness to the point where death, fire and destruction were invoked by them in their fight. For a week or so early in May they held carnival and had the second greatest city in the union in a thrall of fear. Then they overreached themselves, bringing about a great wave of popular resentment that put a period to their orgy of crime.

It was the murder of two policemen, the dangerous wounding of a third and the bombing of three buildings within a few hours on one night that awakened the conscience of the city, aroused its people to their great danger and set at the heels of the criminals the forces of law and order and the vengeance of an outraged community. The bloodshed that marked the climax of the organized thuggery, following the repudiation by labor of the Landis award was accepted by the Chief of Police of Chicago as a declaration of war by the men who had obtained control

of the city's labor unions. His response was swift and decisive.

Within a few days of the murders of the policemen about 200 labor leaders had been rounded up in the city and arrested. Eight were indicted for the murders. The police were ordered to stamp out bombing, arson and thuggery summarily by shooting to kill. The underworld was combed for the hired gunmen, thugs and assassins of the labor conspirators; confessions were obtained showing the extent of the plottings against the city's peace and order, and the conscience of Chicago was aroused as it has not been in many years.

The Chief of Police has declared that this is a war to the finish. His declaration has been endorsed and applauded by all of the organized forces of law and order. His activities have been met by threats of death mailed to him and to the warden of the county jail and by the ultimatum that if the labor leaders held were not released the city would be given over to destruction by fire. But not even these threats have served to deter the chief in his determination.

The culminating murders, shootings and bombings occurred on the night of May 9. The wholesale arrests followed the next day, and within a few hours eight indictments were returned, among them being those of the president of the Building Trades Council, and the heads of the Gas Workers' Union and the Theatrical Janitors' Union.

## Fights For Graft-Free Building

By EDWARD E. GORE

TERRORIST bombs and the murder of two policemen who interrupted a dynamite squad in action cannot halt the record breaking building boom which has been brought on in Chicago through the efforts of the Citizens' Committee to Enforce the Landis Award.

The story of the fight for graft-free building dates back to a year ago when Federal Judge Kenesaw M. Landis—now retired from the bench—was appointed as arbitrator of a building trades lockout which had been in progress for over a month. The judge had his suspicions as to what was the matter with the Chicago building industry; the investigations of the Dailey commission had spread broadcast the tales of witnesses who paid hundreds of thousands of dollars in tribute to the "invisible government" of the city to



Edward E. Gore

allow the construction of buildings unhampered by strikes. He had heard stories of the make-work rules and restrictions upon the use of labor-saving devices and materials which were incorporated in some of the sets of union working rules and he proceeded to verify them.

Then out of a clear sky the judge announced that by virtue of a clause in the arbitration agreement, he would revise the working rules as well as the disputed wage scales. He made his award on September 7, 1921.

There was a howl of protest, mainly from union business agents who saw their chief weapons for extortion and graft slipping away from them. Run-away strikes were frequent. At one time, it seemed as if the Award were doomed to failure because of the refusal of the members of the Chicago



building trades council to abide by their pledged word.

Then it was that the Citizen's Committee to Enforce the Landis Award was formed at the request of the Associated Builders and the Building Construction Employers Association—the two big contractors' associations of Chicago.

Thomas E. Donnelley was chosen president. The membership of the committee included nearly 200 of Chicago's leading citizens. Its policy might be expressed briefly as:

Support the building trades unions which live up to their Landis Award contracts 100 per cent.

Place the unions which refuse to abandon their vicious practices and come under the Landis award, and the unions which break their Landis award contracts on an open shop basis and bring in workers to replace the insurgents.

That the committee has been successful is shown by a brief survey of its accomplishments.

Twelve unions have been placed in the open shop category for various sins of omission and commission. Over ten thousand Landis

award open shop workers have been hired by the committee's employment bureau in these trades.

Strikes have been reduced to a minimum, and are now confined to the contractors who have cast their support with the "outlaw" twelve. Wherever a strike has occurred, the committee's employment bureau on request has furnished men to replace the strikers.

Guards have been furnished where there seemed to be danger for the Landis award workers. Every Landis Award construction job is protected by riot insurance.

Seeing that they were fighting a losing battle, the "outlaw" element in the Building Trades Council resorted to slugging and then to bombs in an attempt to halt the effective enforcement of the Landis award. It was the interruption of a bombing squad which caused the slaying of Acting Lieutenant Lyons of the West Park Board and Patrolman Clarke while performing the duty of keeping the public peace.

The double murder aroused Chicago as nothing else has to a deep determination to get rid of the men who were responsible for such tactics. The

President of the Chicago Building Trades Council and two backers, one of Dearborn street mail robbery fame and another, lately released from an eastern penitentiary—have been indicted for murder.

A thousand new policemen have been asked by the Chicago Crime Commission and the Association of Commerce to handle the situation which they maintain is not a product of unionism, but of criminals operating in the building trades unions. An increase of eight judges in the criminal court to take care of the accumulation of cases has also been requested.

Meanwhile, perhaps the best criterion of the efficiency of the work which the Citizens Committee to Enforce the Landis Award has been doing is the record of building permits.

In May, 1921, when vicious restrictions and the building lockout were throttling construction, permits for \$2,967,750 worth of new buildings were taken out.

For the first seventeen days of May, only, in 1922, the total value of the building permits was \$14,571,800. The building boom is the third greatest in the city's history.

## Citizens' War A Public Demand

*Written especially for AMERICAN INDUSTRIES*

By F. W. ARMSTRONG

General Manager, Citizens' Committee to Enforce the Landis Award

CHICAGO, for the first time in many years, has entered upon an era of decency in building construction. All of the rocks have not yet been removed from the road back to permanent peace, with freedom from graft, extortion and crimes of violence; but the job is being done thoroughly as it goes along, and it is going to be a good job when it is finished.

The Citizens' Committee was organized when a group of strong-arm crooks, who had slugged and gunned their way to control of certain unions, refused to abide by the award of Judge Landis in an arbitration requested by them, with the specific proviso that Judge Landis should be the arbitrator, and with an iron-clad written agreement, signed by both of Chicago's building contractors' organizations and by the Building Trades Council, binding themselves "for themselves and their affiliated unions and organizations" to accept and abide by the award when made.

On April 30, 1921, the three-year contracts between contractors and union expired. The wage rates under that contract were \$1.25 an hour for

all skilled mechanics and \$1.00 for common labor. A new contract was offered to the unions at \$1.00 and 70 cents an hour for skilled and unskilled men respectively. This was refused; a lockout followed, and after several weeks of negotiation, during which time all jobs lay idle, the unions made their request that the "entire subject matter in all of its phases be referred to Judge Landis, with full power and authority to act and decide all questions involved."

It is a violation of no confidence to add—for the fact is a matter of common knowledge in Chicago—that the contractors were loath to accept Judge Landis as an arbitrator. He had justly earned nation-wide fame as a fearless champion of the "under-dog," and obviously this reputation was regarded hopefully by the workmen and doubtfully by their employers. However, the public, strong in its confidence of the ability and fairness of the arbitrator selected by the unions, and sick and tired of the rotten conditions which had existed for years in Chicago's building industry, made short work of the contractors' fears, and the arbitration agreement was signed June 10, 1921.

The arbitrator's first act was to order all contractors to reopen their jobs and put the men back to work at their former pay, \$1.25 and \$1.00 an hour, until he should render a decision. This was done, and on September 7 the decision now nationally famous as the Landis Award was handed down.

The public and the contractors—and, for that matter, all honest workmen as well—built better than they knew; for the Landis Award is one of the greatest labor decisions of all time. It is far more than a mere wage adjustment. The fifteen principles which it establishes as the foundation on which to build uniform agreements between workmen and employers, strike deep to the causes of graft and monopoly and pull them out by the roots. This wholly unexpected development is the real cause for the rejection of the award by a gang of terrorists who had slugged and gunned themselves into control of certain unions in the Building Trades Council, and who in a few years have made themselves millionaires by practices which the Landis Award effectively checkmates.

There are thirty-two unions in the

Chicago Building Trades Council. As soon as Judge Landis announced his decision, with wage rates varying from 85c in those so-called "skilled" trades which require but little more than intelligent common labor, to \$1.25 for such highly skilled artisans as stone carvers, the unions were in an uproar. They had asked for a uniform rate of \$1.25; they had been offered \$1.00. Then they asked for arbitration; and it was unheard of, in Chicago at least, that a labor arbitration should at its worst mean anything more than "splitting the difference" between the asked and bid prices—and according to all precedent the difference should split somewhere near labor's demand. This decision went to the outrageous lengths of considering the actual equities of each case. "How long does it take to train a man to journeyman skilled in this trade? What is the element of physical danger? What about intermittency of employment?" These were some of the questions which this strangest of arbitrators insisted on asking, reflecting the answers in his wage scale.

For a time it seemed that the award would be rejected by the Building Trades Council as a body; but wiser heads prevailed, and finally twenty of the thirty-two unions accepted the award, the other twelve voting to reject it.

One example of these rejections is illuminating. The Sheet Metal Workers reported to the contractors that while they felt that they had been placed at an unfairly low wage their members had decided that inasmuch as they had asked for the arbitration they must in good faith abide by it, and that a meeting would be held for ratification of this decision. But they had reckoned without their "Master's Voice." It made no difference that the voice came from the county jail. The Voice, via messenger, said: "Reject the Landis Award." Union members who attempted to rise in protest were promptly confronted with sluggers and gunmen who ordered them down. These sluggers were picked men, there for that specific purpose, and the protestors understood. They sat down. This was not an unusual case, except that the bringing of orders from jail lends a spectacular touch. The other "business agents," were present in person when the vote was taken, and identically the same persuasive methods were used. These statements are literally true. And this is America!

Building construction could not proceed without mechanics in the twelve crafts which refused to stand by the award—and Chicago absolutely had



Thomas E. Donnelley

to have additional housing; had to have a lot of it, and had to have it quickly. The contractors called together a group of twelve civic organizations, placed the facts before them, stated that the builders were unable to cope with the situation alone, and asked what should be done. The Citizens' Committee to Enforce the Landis Award was the answer.

This Committee is composed of 179 of Chicago's biggest and most patriotic business men. Contractors, material men and others who might be charged with selfish interest were carefully eliminated from the personnel. The Committee was incorporated under Illinois law, not for profit. Seven men hold the corporate offices and make up the executive committee—T. E. Donnelley, a printer; John W. O'Leary and Jos. R. Noel, bankers and past presidents of the Chicago Association of Commerce; John H. Hardin, a manufacturer of optical goods; James A. Patten, of wheat-pit fame; Charles Piez, president of the Link Belt Company and former Chairman of the Shipping Board; and John T. Pirie, of the Carson-Pirie-Scott department stores. All served without salary, and some—notably Mr. Donnelley and Mr. Patten—are giving more time to the Citizens' Committee every day than they are giving to their own business.

A very short and simple platform was adopted:

1. Employers operating under

the award will be encouraged and protected.

2. Unions accepting the award in spirit and in fact will be supported.

3. Building material shall be free from arbitrary restrictions.

4. Contractors refusing to work under the award deserve no support.

5. Work shall continue, in trades rejecting the award, by men willing to work, regardless of union affiliations, the men being protected; and those trades will be permanently open shop.

The work of the Committee has been strictly confined to that platform. The ringleaders in the fight against enforcement of the award are now under indictment for murder, as the result of their desperate efforts to terrorize Chicago into submission. During the past sixty days there have been eighteen bombings of "Landis Award jobs," and when on May 9, 1922, these assassins shot down two policemen and wounded a third, the officers being engaged in protecting threatened property at the time, Chicago was shocked into a grim determination to see this fight through to a finish.

Immediately after incorporation of the Committee a call was sent out for a fund of three million dollars with which to finance the fight. Under the able direction of Mr. J. A. Patten this campaign was handled quickly and successfully.

In six months Chicago's housing shortage has been overcome. During April, 1922, 1,400 building permits, totaling \$23,000,000, were issued—95 per cent of these being for housing projects. The first half of May indicates a record even greater than that of April, which surpassed anything in Chicago's previous history. Rents are rapidly receding to normal, and speculative builders are frantically hunting cover.

Advertising in every section of the United States and operating eighteen employment offices, more than 11,500 building trades mechanics in the twelve open-shop trades have been brought to Chicago and placed at work on Landis Award jobs, where they are working peaceably with union men from the twenty crafts which adopted the arbitrator's decision. Never again will it be said, "It can't be done in Chicago." It is done.

Contractors handling between 80 and 90 per cent of all building construction in Chicago have signed up with the Citizens' Committee, binding themselves to go through on the Committee's platform.

Every job handled under the Landis Award is protected by

special guards employed by the Committee, and is insured against strike losses, sabotage, and damage of any kind growing out of this fight. Approximately \$50,000,000 of this insurance is now in force.

The end may not be soon, but the end is sure. For years the building industry of Chicago has been rotten with graft, extortion and crimes of violence. Finally the criminals responsible for this condition, get-

ting enough rope, have hanged themselves, and Chicago is on its way to permanent peace in building construction, free from grafting holdup strikes, free from monopolistic extortion and free from crime.

# Business Will War To A Decent End

*Written especially for AMERICAN INDUSTRIES*

By HENRY BARRETT CHAMBERLIN

Operating Director of the Chicago Crime Commission

**R**ECENTLY two police officers were killed, a third seriously wounded and dynamite bombs were exploded in three buildings in Chicago, all within a few hours of each other. The bombs were directed against buildings in course of construction under the terms of the Landis Award.

Later the torch was applied to a new three-story, seventy-two apartment building rapidly nearing completion, following very closely upon a letter to the State's Attorney's office in which it was said that the torch would succeed the bomb in the war which is being conducted in the name of union labor upon the citizens of Chicago.

And it is war—real war. Though some agitators are making futile effort to convince a weary public that it is a labor war, the Chicago public now understands very well that it is a war of organized forces against the law-abiding citizens of the city. The men responsible for this reign of terror are strongly entrenched. They are supplied with financial resources which bring to their aid able legal counsel, whose cleverness obtains for their clients the protection of every intricacy and technicality in which our laws abound. They obey no law except that of force. The campaign of sabotage and incendiarism is on. Resistance of blackmail and intimidation is punished by death. Policemen are slain.

Orphaned families and sorrowing mothers are left to the care of the community. Business men lacking in the courage to refuse have been blackmailed out of thousands of dollars paid to self-styled and self-elected labor leaders for the privilege of managing their own affairs. Unwittingly through a period of years, they have been adding their dollars to those which honest toilers have been compelled to withhold from the support of their families in order to be granted the privilege of working. This money has gone into the fund which has hired sluggers dynamiters and incendiaries. Employer and worker alike have

raised the war chest. This criminal control of labor unions, this blackmail of citizens is the result of a gradual systematic and deliberate boring in which has continued for several years.

Following the recent killings and bombings, Charles C. Fitzmorris, Chicago's fearless and capable Superintendent of Police, directed a roundup in which more than one hundred and fifty men were arrested. In forty-eight hours six of the leaders were under indictment on the charge of murder. The business agent of the Gas House Workers' Union, an organizer

of the Street Sweepers' Union, a product of the Stock Yards District and under conviction for conspiracy to rob the United States mails, was one of these. The president of the Chicago Building Trades Council, former Joliet convict who served for obtaining money by threats; and another who served a term in Sing Sing, and who was the leader of the Packing House Teamsters' Union during the strike several years ago in which there was riot and bloodshed; also were included. All three are under indictment for murder and held without bail.

It was since this roundup that the torch has been applied. Prominent officials and leading business men are receiving threats from day to day.

The Chicago Crime Commission may rightfully claim credit for the success of this drive to stop crime. There were obstacles and handicaps to overcome. There were political antipathies, personal prejudices, the fear that organized labor would misunderstand and other problems equally delicate which had to be solved. The Commission with its system of records and its alert organization was immediately on the job. It has been on the job and will stay on the job until it is completed. It is not concerned with the merits of the controversy between the unions and the employers. It is concerned with the criminal aspect only.

The Commission is composed of a body of one hundred and twenty representative citizens. It was organized by The Chicago Association of Commerce. It is supported by voluntary subscriptions. Public officials may not be members. It is independent. Its word carries great weight because when it speaks it is ready to prove what it says if called upon to do so. In the present emergency it declares that these outrages must stop, that those guilty must be punished and that the police prosecutors and courts must all do their share or answer to the public. Chicago is aroused as it has never been before, with the exception of the time of the Haymarket

## A Brilliant Assemblage

*The Chicago Tribune of May 24, contained the following very interesting and very illuminating story:*

### PLUMBERS HOLD QUITE ENGAGING EVENING PARTY

Even though deprived of shooting irons, the "regular" members of the plumbers' union cried new defiance to the Landis award, the police investigation of the terrorist régime, and the "progressives" last night by re-electing "Dan" McCarthy, "Doc" Curran, and Ed Blake as business agents.

These, together with William Hart, president, and William Cahill, vice-president, are adherents of the "Tim" Murphy organization. McCarthy, who is under indictment in the bomb killings, was not present.

The election was attended by a squad of police, who searched each member for his artillery. In the hall bedlam burst. There were yells and thumps and blows of fists. As fast as a recalcitrant progressive was slugged he was thrown into the street. When it was all over the regulars modestly admitted victory.

riots. It stamped out anarchy then and will stamp it out now. With a record of reducing murder fifty-one per cent, since 1919 and with a notable reduction in burglaries and robberies, making Chicago the only large city in the United States which has consistently cut down its crime figures in the past three years, the Chicago Crime Commission in the present emergency,

says:

"Criminals masquerading as labor representatives must pay the penalty of their deeds just as other criminals must. The spirit of Chicago is shown in the authorization to add 1000 patrolmen to the police force, in the immediate transfer of four additional judges to the Criminal court and the arrangement to add

four others in the immediate future and in the authorization to the State's Attorney to hire ten more assistant prosecutors at once. Chicago has accepted the challenge. Those who ask, 'Who'll win the War?' are reminded that Chicago's motto is 'I WILL.' And the Chicago Crime Commission will lead the fight."

## Newton D. Baker Scores The Unions

**N**EWTON D. Baker, Secretary of War under the Wilson Administration, and just recently elected president of the Chamber of Commerce of Cleveland, Ohio, has come out strongly and unqualifiedly in favor of the open shop for industry in the United States. This is considered in many circles as one of the most important instances of the converting of prominent persons to the American plan of conducting business in every channel. During the war, Mr. Baker was strongly in favor of organized labor and gave it encouragement by his many acts; but recently he has been compelled to change his attitude, largely, as he expresses it, because trade unionism has made little or no headway in the last ten years. But, further than that, the former secretary declares that at the present time there is a strong wide-spread public sentiment against labor unions because the public believes the practices followed by the unions are a fetter on economic freedom.

Mr. Baker's change of attitude was expressed in a letter he sent to Painters Council No. 6 of Cleveland, and it was one of his first official acts since becoming head of the local commercial organization. The letter reads:

"The term 'open shop' as used in the labor policy of the Cleveland Chamber of Commerce is unhappily often confused with the term 'closed non-union shop.' It is therefore necessary in this discussion to remember what the true meaning of that phrase is. It describes a labor relation in which workers are wholly free to join or not to join unions, in which the principle of collective bargaining is recognized as sound and just, and in which the workers when unable to agree with their employers have a right to be represented by representatives of their own choice, in wage and other employment negotiations. In such an open shop no man is to be discriminated against because he holds a union card and correspondingly no man is to be

discriminated against because he does not hold such a card.

"Trade unionist as I have always been and am, I cannot bring myself to believe that labor relations are the concern only of employers and employees as separate and contending classes. In every labor question there are really three parties.

"The public has an interest, too little recognized and rarely represented. Nor is the public interest only concerned with low prices to consumers. The public has a real interest in the welfare of the worker; that he shall receive wages for his work which will maintain the American standard of living and enable him to live and raise his family in wholesome and dignified surroundings and to take advantage for his children of educational and social opportunities; that the labor of children shall not be exploited; that women shall not be employed in unsuitable work or subjected by industrial fatigue to degenerative influences which weaken the strength of the race; and that the opportunity to engage in honorable and gainful occupation shall remain wide open to all American citizens and not be obstructed or monopolized by any class whatever.

"The world has, in the last half dozen years, destroyed the major part of its accumulated wealth. Every reasonable hour of labor is now needed to produce wealth to replace that which has been destroyed.

"I think your District Council will be obliged to agree with me that in the last 10 years the principle of trade unionism has made little or no headway. Temporary raises in wages have, it is true, been obtained, but at the present moment there is a wide-spread public sentiment against labor unions and the whole wholesome principle is, in my opinion endangered by the growing realization on the part of the public that practices followed are a hurtful limitation upon produc-

tion and a dangerous limitation of economic freedom to American citizens.

### LUNCHEON TO FILIPINOS

The Philippine-American Chamber of Commerce is giving a banquet at the Waldorf about June 15, to the Philippine Parliamentary Mission of thirty-five persons. The cover will cost \$10 each. Manufacturers and others who are interested in Philippine affairs will be welcomed. Banquet Committee is composed of N. W. Gilbert, J. G. White, E. B. Bruce and W. S. Macleod.

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# AMERICAN INDUSTRIES

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## CONVENTION FORECASTS BETTER DAYS

THE annual convention of the National Association of Manufacturers just held, had its greatest distinction, very probably, in the sane satisfaction and confidence of industry in the near future. From all sides and from almost all of the addresses made, there came a solid sentiment and conviction that the country was back again at a condition of stability that even the most optimistic would not have predicted a year or so ago.

Contrary to all the gloomy forebodings of dire disaster that would follow in the wake of the war, business and industry in general has recovered its poise without any great outstanding disturbances. And nothing has proved this or made this more emphatic than the findings of the nation-wide trade survey made by the Association for presentation to the convention. This showed that there was a generally strong and optimistic feeling over the present and future. A great majority of the firms that answered the questionnaire reported that business was far better than it was at the same time last year; that they were employing more people and that they were planning for large extensions in their forces for the

coming fall and winter program. Add to this the report from the Department of Labor that conditions in various parts of the country are becoming better, it is hard to argue that conditions will do anything more than to continue on a steady, certain progress toward normal.

## MEMORIAL DAY AND INDUSTRY

IN the city of Washington, on Decoration Day, the nation paid its warm tribute to a great genius by unveiling the Lincoln Memorial—designed to stand for ages to honor the immortal name of Abraham Lincoln. This memorial was dedicated by a people who are grateful to the man whose love of country was his strongest inspiration; who kept his people together during their greatest stress; and who left this earthly sphere immortalized by his own people; loved by those who had been his enemies and revered by all the world.

Abraham Lincoln's early humble life had given him a true and broad perspective of all strata of national life. His vision extended not alone over the great leaders in business, finance, and industry; but over the might behind the leaders. And his vision in the latter instance was broad, neither moved by the power of earthly possession nor any false sympathy for the man who sought to destroy merely because he did not possess.

And no more fitting time might be chosen to repeat the very wonderful words of wisdom and comity, of Abraham Lincoln, than on the occasion of the unveiling of the nation's memorial; for his message, if properly observed, might serve as a fitting urge both to the employer and to the employee.

"Capital has its rights," said Lincoln, "which are as worthy of protection as any other rights. Nor is it denied that there is and probably always will be a relation between labor and capital producing mutual benefits.

"The strongest bond of human sympathy outside of the family relation should be the one uniting all working people of all nations, and tongues and kindreds. Nor should this lead to a war upon property or the owners of property. Property is the fruit of labor; property is desirable; is a posi-

tive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise.

"Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built."

## THE RAILROAD RATES CUT

THE Interstate Commerce Commission's decision makes a flat 10 per cent cut in all railroad rates except those which had been previously reduced, such as the rates on grain, live stock, hardwood lumber and agricultural products.

Approximately \$225,000,000 a year will be saved to shippers by the commission's decision. The railroads will be allowed under the decision a maximum net earning of only 5¾ per cent annually, instead of the 6 per cent maximum, to which they were entitled under the Esch-Cummins law up to March 1 of this year.

The commission's decision is not satisfactory to the President, Secretary of Commerce Hoover and other Administration officials, who have been interesting themselves in the restoration of better business conditions. They would have liked to see heavy cuts on basic commodities, such as agricultural products, coal, building materials and the like, but the commission decided this could not be done, and refused further rate decreases on the commodities which had benefited by previous decreases.

No reductions on passenger rates were made by the Commission. Requests had been made for reductions generally in passenger fares, for the issuance of mileage books at reduced rates, for reduction in the Pullman rates and for reduction of the 50 per cent Pullman surcharge, but the Commission refused all these. Commissioner Potter dissenting on this point, favored a reduction in passenger fares, other than commutation fares, and without removal of the Pullman surcharge.

Commissioner Cox, also dissenting on this point, pointed out that passenger traffic is 7,000,000,000 revenue passenger miles below normal. "Rep-



representatives of industrial and commercial interests have made requests for a reduction in passenger rates repeatedly, and they are unanimous in their opinion, in which I fully concur, that the issuance of a mileage book at reduced rates would not only stimulate travel, but would also increase the present revenue of the carriers," he said.

Some of the railroad executives are quite cheerful over the prospect, but others are not. Most railroads have been unable to realize  $5\frac{3}{4}$  per cent on property value for a long period, and it is certain that they will not be able to earn this percentage stipulated by the Commerce Commission as a fair return after the new rate reductions become effective, said President Loree, of Delaware and Hudson. There is less pessimism among executives in the western group than among easterners, since the decision is construed to mean that reductions already made, either voluntarily or by order, will be credited against the present reduction. It is believed that in some cases reductions already made aggregate more than those required by the decision. This is said to be true of grain rates. Reductions on some other commodities, rates on which have already been reduced, will accordingly be slight.

C. W. Michel, vice-president of the St. Louis-San Francisco Railway, said:

"The effect of this decision on the 'Frisco is largely a question of whether or not it will result in increased traffic. It has been the general feeling that a reduction in rates would result in an increased volume of traffic. If this is the result, the rate reduction will be beneficial, as the road will be able to ship full cars and thus decrease their operating expenses. Personally, I doubt if any such result will be achieved, as it has always been my view that if a shipper has anything to ship he will ship it and not wait for proposed future rate reductions."

C. H. Markham, president of the Illinois Central, said:

"Increased movement of basic commodities, particularly of building and other construction materials, which began to take definite form about sixty days ago, proves that increase in freight rates was not the controlling factor in causing business depression.

"I feel it would have been better for



Earl Constantine  
Appointed Assistant to the President of the  
National Association of Manufacturers.

the country if reductions had not been made until continued increased earnings had put the railroads in funds sufficient to permit bringing of the transportation plant to a higher state of efficiency.

"However, I believe that business is once more on the road to normalcy and that so far as the Illinois Central is concerned, the loss resulting from the decreases ordered by the commission will be offset by the earnings from increased movement of traffic and opportunity for further reductions in expenses which will follow decision of the Labor Board in dealing with the wage questions now before it."

J. E. White, vice-president of Armour & Co., said:

"Reduction in freight rates will stimulate business. It not only aids in reducing the cost of distribution, but is a step toward restoration of normal and equitable rates on raw and finished products, which were completely thrown out of joint during the war. The reduction should be beneficial to the public."

Luther M. Walter, general counsel for the National Industrial Traffic League, said:

"Buyers who have been holding up orders during a period of uncertainty regarding the rate reduction will now enter the market. The commission, by making a blanket cut in rates, has shown that it was independent of political pressure and its decision is unbiased, fair and just."

### SOME MORE GOOD NEWS

PRESIDENT HARDING has been informed by Budget Director Dawes that the Government will spend \$100,000,000 less this fiscal year than was estimated by the Budget Bureau in its recent report to Congress. The saving is due to decreased loans by the War Finance Corporation and to proceeds of sales of railroad securities now held by the Government.

Revised figures laid before the President show the expenditures for the fiscal year ending June 30 next will approximate \$3,822,000,000. This is a reduction of \$145,000,000 below the estimates for this fiscal year, made last autumn by Director Dawes.

The total reduction in Government spending this year as compared with the fiscal year 1921 will be about \$1,715,000,000.

The estimated lending operations of the War Finance Corporation by the earlier calculations was fixed at \$189,000,000. Later figures, however, show the corporation will need to advance not much in excess of \$110,000,000. This represents a saving for the Treasury of \$79,000,000. A further reduction in the estimate of savings, as reckoned by the Budget Bureau, is made possible by the railroad equipment trust security sales, which probably will amount to about \$21,000,000.

### TEACHING YANKEE CANNING

FROM Washington comes a very interesting item of news, that the Department of Agriculture is sending Miss Ola Powell to Paris to carry on, in coöperation with the French Ministry of Agriculture, food preservation work of the kind done by the department in collaboration with the state agricultural colleges in this country.

### JUST ABOUT TIME

SAVING of hundreds of thousands of dollars a year is expected to result from an order issued recently for a complete reorganization of the method of keeping the Federal accounts. The order, which was issued by J. R. McCarl, Controller General, has the enthusiastic approval of Chas. G. Dawes, Director of the Budget. The title of the order is "Classification of objects of expenditure."

(Continued from page 18.)

as a private and was promoted through successive ranks until he received a special recommendation for a commission just before the Armistice. He returned to his former duties with the council at the close of the war. Soon after, he was made executive secretary of the council, which position he will continue to hold. Prior to his connection with the council he was for two years general manager of the Employers' Association of Washington, at Seattle.

The annual convention of the association manifested a spirit of quiet conviction among the delegates that the

economic stress had been weathered, that the upturn in business had at last been reached and that the best way to further the business revival was to take counsel of the recent past, analyze the causes of the industrial depression and rectify demonstrated mistakes.

The general reorganization announced by Mr. Edgerton was due to his observation that its membership look as never before to the National Association of Manufacturers for constructive leadership, and it is believed the arrangement will make for far greater efficiency and increased usefulness of the organization to the manufacturers of the nation as a whole.

## The Resolutions Adopted

The following resolutions were adopted:

### **Soldier Re-habilitation**

"WHEREAS, Many of the Soldiers, Sailors and Marines who served the country in the world war have sustained permanent injuries, by which they are handicapped in pursuing their former vocation, and in some cases prevented from engaging in any self-supporting pursuit and

"WHEREAS, The Federal Government has made provisions for these men to be educated, apprenticed and trained, free of cost to them, in the various professions, trades and occupations according to their several circumstances, and that they and their dependents shall be maintained and subsisted at the Government's expense during such preparation for future life; and

"WHEREAS, The most suitable training for some pursuits is available only "on the job" where instruction can be given concurrently with practice; and

"WHEREAS, The U. S. Veterans' Bureau has expressed as its policy that each disabled man shall be returned to as nearly his former pursuit as is compatible with his disability and most promising to his future economic success, and, that all training will be thorough and designed in each case to fit the man with the ability to earn the prevailing wage in the occupation for which he is trained; and

"WHEREAS, The members of the National Association of Manufacturers recognize their patriotic moral and social responsibility in the rehabilitation of these men, therefore be it

"Resolved, That we, the National Association of Manufacturers in convention assembled, pledge the full cooperation of the members thereof with the U. S. Veterans' Bureau in carrying on this great work and further be it

"Resolved, That the National

Association of Manufacturers appreciates the value of the work already performed by the U. S. Veterans' Bureau and are in full sympathy with its endeavors to discharge its responsibilities in connection with this great undertaking.

"Resolved, That copies of this resolution shall be furnished to the editor of the official journal of our association with the request that the same be published in the next issue thereof, and that copies of the resolution be also sent to the Director of the U. S. Veterans' Bureau of Washington, D. C.

"Resolved, That each member of this association be requested to supply to the District or Sub-district Manager of the U. S. Veterans' Bureau in their locality a list of the number and classification of trades in which they are willing to accept these men for vocational rehabilitation in conformity with the terms and policies of the U. S. Veterans' Bureau."

### **Soldiers' Bonus**

"WHEREAS, the simplest considerations of justice and gratitude require generous provision for the dependents of those who died for their country in the Great War and speedy and adequate relief in terms of their need for those in whole or part physically incapacitated by their military service, but

"WHEREAS, it is vitally important that no form of Governmental action shall lessen the inspiration or debase the motive of national service or establish economic burdens beyond the capacity of the country to bear.

"Therefore, Be It Resolved that as a permanent public policy generous aid should be extended to those made dependent by death and to survivors incapacitated by wounds or disease or their dependents, while every ex-service man should have available public assistance in making himself self-sustaining through technical or general

educational opportunity, and the chance to acquire homes on Government land by qualified veterans should be open to them on the most favorable terms. But a general and indiscriminate distribution of a cash bonus to able-bodied men tends to degrade the motive for the highest form of patriotic service and, if conferred in the manner provided in the pending House bill, without provision for adequate revenue, mortgages the dubious future with a vast but uncertain burden, threatens to freeze the necessary liquid assets of present credit, dislocates and demoralizes the progress of rational economic adjustment in its most critical period, and in terms of decreased opportunity for employment and discouragement to industrial development, assures practical injury over a long period to the very service men who are deceived into believing themselves the beneficiaries of an unsound and indefensible proposal."

### **Merchant Marine**

"WHEREAS, successful commerce and national security require an adequate, privately owned and operated American merchant marine, composed of ships built in American yards, of American material, by American labor, manned, officered and owned by Americans and sailing without handicap under the American flag;

"Therefore, be it resolved, that the National Association of Manufacturers, in convention assembled, approves the proposal made by the President of the United States in his recent message to Congress for the establishment and support of an American Merchant Marine and that we approve the general policy expressed in consonance therewith in S. 3217 and H. R. 10644.

"Be it further resolved, that we urge upon the Committees on Merchant Marine of the House, and Commerce of the Senate, an inquiry into the practical operation of existing Navigation Acts that, while retaining all those features of public benefit, American shipping may be relieved of arbitrary or uneconomic burdens which handicap its operation under our flag in competition with the flags of other nations."

### **Army and Navy**

"WHEREAS, the President of the United States successfully convened a conference of the leading nations of the world, and through the American representatives therein secured, and by Senatorial approval has presented for ratification, a treaty limiting the naval power of the leading military states.

"Therefore, be it resolved, that we extend to the President and the American representatives of the Conference on Limitation of Armaments our deep

appreciation as citizens for the extraordinary service rendered to our common country, and

*"Be it further resolved,* that we urge upon Congress the necessity for maintaining the Navy of the United States at the ratio established by Treaty as necessary to the maintenance of our international standing and the security of the national defense, the stimulation of our Merchant Marine.

*"Be it further resolved,* that in the same spirit of intelligent appreciation for the necessity of adequate preparation for national defense, we deprecate and condemn the effort to reduce the Army below the limits of national safety."

#### Patents

*"Resolved,* by the National Association of Manufacturers that the Stanley Bill S. 3410 should not be enacted because it introduces into our patent system an obligation on American patentees to work their inventions within a limited period, and subjects them to the grant of compulsory licenses, both of which provisions are an unwise innovation in the American patent system, being borrowed from foreign laws where they have had effect only to discourage invention and deter inventors and manufacturers from investing in the manufacture of patented inventions; and that such legislation would greatly impair the value of American patents, and would impede, instead of promoting, the progress of the useful arts in this country.

*"Further resolved* that the amendment proposed by Senator Stanley on May 4, 1922, to the Stanley Bill S. 3410 should not be enacted because it is not limited to inventions necessary to the Government for national defense, nor to the exercise of the right of eminent domain, but applies without discrimination to all types and classes of inventions, permitting any private party to subject any patentee to the defense of litigation against the requirement of granting licenses to private parties not for public, but for private purposes; and because it is aimed at foreigners and is calculated to provoke retaliatory legislation and to deter foreigners from patenting their inventions here; and because, as against existing patentees, it involves a violation of the contract embodied in their patents already granted."

#### Taxation

*"WHEREAS,* the Tax Law of 1921 does not afford substantial relief from the inequitably distributed and unsatisfactorily administered provisions of the War Tax Acts which, under the solemn pledge of both great political parties, the business of the coun-

try was reasonably entitled to expect, and which the President called an extra session expressly to secure;

*"Therefore, be it resolved,* that we urge upon the Executive and Congress substantive changes in the law which will give more practical recognition to the relation between risk and return, lessen the inequitable burdens discriminatingly levied upon selected forms of production and upon small capital actively employed in reproductive industry, simplify, in the light of experience, the form of the law, decentralize its administration and set up practicable regional bodies that may finally determine assessments and adjust collections."

#### Railroads

*"WHEREAS,* one of the main factors in the current revival of business and agriculture is the substantial resumption of railway purchases; and

*"WHEREAS,* the basis of railway purchases is improvement, present and prospective, in railway net income; and

*"WHEREAS,* the Interstate Commerce Commission is considering a general revision in transportation rates and the Labor Board a general adjustment of railway labor costs; and

*"WHEREAS,* a rate reduction in advance of a decrease in labor costs would impair railway net income, discourage railway buying and interrupt the general recovery of creating uncertainty as to prices, and the Interstate Commerce Commission and the Labor Board are not by law required to cooperate in the public interest; *therefore be it*

*"Resolved,* that the Labor Board and the Interstate Commerce Commission are urged to make effective such voluntary cooperation as will coordinate and synchronize rate revision and labor adjustment, impose upon the railways and upon general business and agriculture the minimum of immediate uncertainty and establish for the future a rate structure upon whose stability business may depend.

*"Resolved,* that the National Association of Manufacturers reiterates its deprecation of attempts to exert political pressure upon the Interstate Commerce Commission in rate revisions, which the Commission should be permitted to consider in the light of or-

derly testimony and of its own judgment."

#### Hague Rules

*"WHEREAS,* there is manifest need of a uniform bill of lading more satisfactorily defining the liability of overseas cargo carriers in terms commonly understood and mutually acceptable to shipper and carrier, and whereas the Hague Rules of 1921 are a step in securing this desirable end by voluntary agreements between representatives of shipper and carrier, be it

*"Resolved,* that the National Association of Manufacturers, in convention assembled, approve them as a practical step forward, but not as a final substitute for highly desirable national legislation fortified by international agreements."

#### Transportation

*"The American people, and their Agriculture, Commerce and Industries, are vitally interested in, and dependent upon, transportation.*

*"Notwithstanding the great importance of such services, and of the vital interest of all, the people probably have less real information upon that subject, than upon any other important one affecting their interests.*

*"This failure is due in part, to the fact that we have no national or adequate, educational facilities devoted to that subject.*

*"Therefore, recognizing that there exists an imperative need for a full knowledge of our transportation problem, in all its aspects.*

*"Resolved,* that we approve:

*"(1) The proposal that a National Transportation Institute be established in Washington, D. C., under private auspices and under the direction of strong, impartial, highly-qualified men, who have the confidence of the public, and who will conduct its work free from partisan political control."*

Resolutions also were adopted reaffirming and ratifying the Association's principles in connection with the problem of unemployment, of appreciation to the speakers who addressed the convention, of thanks to the committees submitting reports and to the hotel for its services in connection with the convention, and of appreciation to the officers, executive staff and employees of the Association.

## Motion Picture Symposium

Wednesday night, the closing session of the convention, was devoted to an industrial motion picture symposium, which was a presentation on the screen of some notable examples of successful industrial films, besides a series of five-minute talks by repre-

sentatives of great industrial plants where the possibilities of the film had been successfully demonstrated.

The pictures shown were: "The Adding Machine," by the Burroughs Adding Machine Co.; "Farming with Dynamite," by the du Ponts; "The

Story of Asbestos," by the Johns-Manville Co.; "The X-Ray," by the General Electric Company; the "Caterpillar Tractor," by the Holt Manufacturing Company; "The Story of Coal," by the Bureau of Mines and the Bureau of Foreign and Domestic Commerce, Washington; "The Story of Electricity," by the National Electric Light Association; "Pulverized Coal," by the Chicago Railway Equipment Co.; "The Story of Radium," by the

Standard Chemical Co.; "The Striking Tire," by the B. F. Goodrich Co.; and "Sunshine Gatherers," by the California Fruit Growers' Exchange.

The illustrative talks were as follows: "Status of Motion Pictures in Relation to Industry," by C. F. Bateholts, General Electric Co., Schenectady; "How Pictures Sell the Merchant Marine," Winfield Thompson, International Mercantile Marine, New York; "How the Government Plans to

Further Industry Abroad by Motion Pictures," Morton F. Leopold, Bureau of Foreign and Domestic Commerce; "Telling the Story of Electricity," George F. Oxley, National Electric Light Association, New York; "Pictures that Produce Profits," Watterson R. Rothacker, President Rothacker Film Manufacturing Co., Chicago; and "Producing Radium for the World," Hamilton Foley, Standard Chemical Co., Pittsburgh.

## No Pessimists On This Committee

*Viewing International Commerce with experienced eyes, the Foreign Trade Committee of the National Association of Manufacturers presented an optimistic report at the convention last month*

"WE cannot subscribe to a pessimistic outlook for American foreign trade" declared the Foreign Trade Committee of the National Association of Manufacturers in its report which was accepted at the 27th Convention last month. Continuing the committee said:

"It is unable to accept as correct the expressions of either the ill-informed or those of poor judgment whose addresses and writings during the past two years have been pessimistic. The conclusions of these men have already been proven incorrect.

"The law of action and reaction is as positive in the field of commerce as in the realm of physics. The conditions prevailing during the past two years are but little different (except in area and intensity) to those which have prevailed after every period of abnormal activity, and particularly following our Civil War.

"The conditions following that war taught us to think continentally as the present world situation should teach us to regard the world as an economic unit. The faith of Europe in our character, energy and resources enabled us to draw from that source material aid which meant so much to us in our days of reconstruction, and helped us lay the basis for our present industrial development. A like vision on our part and faith in the continuity of human progress will afford us ample opportunity to aid in reconstruction efforts abroad that will bring corresponding rewards.

"As these words are written, the eyes of all peoples are turned to Genoa in search of evidence that practical measures will be conscientiously adopted by the debtor nations that will warrant the hearty coöperation of creditor lands in the application and working

out of those measures. In the meantime and now, as in the future, the intelligent study and persistent cultivation of foreign markets and sympathetic coöperation with their customers overseas will bring its reward to those who practice it. Intelligent sales effort exercised during this period of depression by our experienced export executives has brought results to a large degree commensurate with that effort, or provided reasonable assurance of their being favored with a larger proportion of the world's growing demands for their products than obtained before the World War."

Among the several subjects considered by the Committee were the relations of the manufacturers and the export merchants, reporting on this matter as follows:

"All who have given much attention to foreign trade recognize the importance of the export merchant as a factor in conducting that trade. In the great reaction in foreign commerce the business of the export merchant has necessarily suffered in proportion. Believing that some relief might be afforded by closer coöperation with the manufacturer, the representative body of the export merchants, the American Exporters' and Importers' Association, through its Export Trade Committee, presented its view to your Foreign Trade Committee. The result of a meeting of the two committees was made the subject of a report by a majority of your Committee to our President on January 19, 1922, which report was printed and sent to every member of the Association in January, accompanied by a letter from the President asking that the report and recommendations be given most serious attention. The report forms an appendix to this report."

In this appendix the several ques-

tions which frequently arise in transactions between manufacturer and export merchant are treated in detail. The most important subject, that of terms, is referred to as follows:

"In this matter we are not actuated by any desire to interfere with the settled policy of an exporting manufacturer nor to influence him with respect to cultivating trade with other countries directly or indirectly. The controversies which sometimes arise between the manufacturer and the export merchant in matters of this kind must be left to settlement between those directly concerned.

"As a general proposition, however, particularly in view of the abnormal conditions prevailing in world trade at the present time and likely to prevail for an indefinite period, it is the opinion of your Committee that the extension of time from ten days to twenty days with the customary cash discount might in fairness to the position of the export merchants be granted them without hardship by the makers of most lines of manufactured goods whose factories are sufficiently remote from ports of shipment."

No considerable number of the Associations' members appear to have been seriously affected by the situation in Cuba with respect to the large quantities of goods which were reported last winter as remaining undelivered in Havana warehouses, the Committee saying on the subject:

"Some months ago the Association received a letter from the Bureau of Foreign and Domestic Commerce to the effect that some 340,000 cases of undelivered merchandise, valued at between sixty and eighty million dollars, were then in possession of the bonded warehouses and dock companies of Havana, and that if prompt action were not taken to secure some

form of inventory of these goods, they would soon have to be sold to meet storage charges. This would, of course, result in great loss to the shippers and further demoralization of the Cuban market. The Association was asked to cooperate with Government officials in securing full information regarding this undelivered merchandise.

"The matter being referred to your Foreign Trade Committee, on the Committees' recommendation all members were asked by letter to what extent they were directly affected by this Cuban situation. So few reported having goods undelivered and in such small amounts that your Committee did not feel justified in recommending that the Association's funds should be used in the extensive and expensive work of taking the inventory."

As a result of the Committee's report on the Hague Rules 1921, the Convention adopted the following resolution regarding them:

"Resolved, That the National Association of Manufacturers, in convention assembled, approve them as a practical step forward, but not as a final substitute for highly desirable national legislation fortified by international agreements."

In its comments on the Hague Rules the report said:

"Having made a careful study of the Hague Rules 1921, and taken into consideration the arguments in favor and against their adoption, your Committee has arrived at the conclusion that the National Association of Manufacturers should endorse them and encourage their early adoption by

American ocean carriers.

"Your Committee does not ignore the fact that the Hague Rules 1921, are not as nearly perfect as could be desired, being, as they are, the fundamentals of the bill of lading, but sincerely believes that their adoption will be a great step towards a better understanding of rights and obligations of both shippers and carriers in particular and of all other parties interested in ocean trade in general.

"The adoption of measures in conformity with the Hague Rules may reasonably be expected to have some effect in lessening losses from pilferage through the placing of greater responsibility on the carriers for the delivery of goods intact. The extraordinary increase in this form of dishonesty during and since the war, and the enormous losses incurred have been the subject of discussion at frequent meetings between members of the staff of our Foreign Trade Department and representatives of the insurance underwriters and trade organizations, which we trust will eventually result in the adoption of regulations and precautions which will discourage the practice of this form of thievery. Meanwhile, we urge manufacturers and exporters generally to exercise special care to see that packing, marking and other details connected with the shipping of goods are of a character to afford as great protection as practicable to the goods and discourage attempts at tampering with the packages."

Commenting on Income Tax on Americans abroad the Committee's report reads:

"Your Committee has followed with

due attention the several protests raised by American Chambers of Commerce in foreign countries against payment of federal income tax by American citizens and concerns therein established.

"The fundamental argument adduced by those who have protested is that they are not enjoying the benefits of our government at home. Your Committee does not agree with those who consider that because they reside in a foreign country they should not be asked to contribute with a small amount of their income to the satisfaction of the liabilities of their mother country. Apparently they ignore the fact that the federal income tax was not established solely for creating funds for the maintenance of the ordinary needs of the Federal Government, but mainly for extraordinary expenses and for the war and its natural consequences. And they seem to forget that the war was their war, decreed by their duly appointed officials and carried to a glorious end by their own brethren. Under no pretext, commercial, economical, or of any other class, should a full-fledged American citizen excuse himself from assisting with a small part of his earnings to the satisfaction of the public debt contracted by America for the expenses of America's war. Such obligation is not and should never be contingent on residence at home or abroad, as it is the American citizen's share in a sacred debt of his country and as such should not be avoided except by renunciation of American citizenship, as it is and shall be inherent to all the rights granted to American citizens by our constitution."

## Business Stronger In All Lines

*Survey of the country, taken by the National Association of Manufacturers, shows a steady growth of industrial and commercial sanity and an attitude of calm assurance over the Fall outlook*

**B**USINESS is on the upgrade in practically all of the basic industries and there is a strong feeling of optimism for the future, according to the result of a nationwide survey made by the National Association of Manufacturers at its convention.

The survey was compiled within twenty-four hours of its presentation and was based on a little more than 30,000 answers made to a questionnaire sent to all the members of the Association. Unlike most surveys of this character, it represented an

immediate summation of conditions in every section of the country as of the day, and not a survey of conditions existing over a period of several months or weeks.

In a general way the great majority of the basic industries reported that present trade was fair to good; some of them said it was excellent; only a small per cent said it is poor. Some of the industries reported business excellent. There was a general tenor of bright prospects for the future; and a great many of the industries not only reported that they were

employing many more men than they were a year ago, but that they were looking for a still further increase in their forces when the Fall work sets in.

In all of this number of replies, there was an absolute lack of an expression of pessimism.

Among key industries the survey showed conditions in the iron and steel trade classed as excellent in six per cent of the plants reporting; twenty-five per cent were stated as good; fifty-two per cent as fair and seventeen per cent as poor. For the Fall this industry



reported prospects of excellent business in four per cent of the replies; good in fifty per cent of the replies; fair in 43 per cent of the replies and poor in only three per cent. Compared with last year, seventy-five per cent of these factories and mills reported conditions better than last year; fifteen per cent reported conditions lower and ten per cent of the cases reported no change. Stocks were reported normal by these industries in sixty per cent of the cases, low on thirty-three per cent and over in only seven per cent. As to employment, a large increase was reported in twenty-three per cent of the cases; a small increase in 47 per cent of the cases; a large decrease in only 6 per cent and a slight decrease in twenty-three per cent. For the Fall the outlook was for a large increase in 32 per cent of the factories, a small increase in 68 per cent, and not a single one reported that it did not expect to make an increase.

In the textile industries, seventy per cent reported conditions running from fair to excellent at present and 30 per cent reported poor conditions but for the Fall 90 per cent reported prospects strongly from fair to excellent, with the majority believing conditions would be good. Only 10 per cent feared poor conditions. Again, 50 per cent of these reports showed that the factories were employing more men than last year and 20 per cent reported no change in the size of their forces; while 20 per cent reported a slight decrease in employment. As to employment, these factories reported large increases in 12 per cent of the replies; small increases in 55 per cent while the remainder reported a slight decline; but for the Fall these industries looked for a marked increase in employment in 17 per cent of the replies, a small increase in 70 per cent, while only 1 per cent expected a material decrease.

In the machinery and tool industry, 80 per cent of the replies reported present conditions from fair to excellent and the remainder reported not so encouragingly. Ninety per cent looked for fine business in the Fall, a larger number looked for business as from good to excellent. In 70 per cent of the replies business was reported better than in last spring; 16 per cent seeing no appreciable change, and 14 per cent finding a decreased business. They have increased their factory forces but for the Fall 90 per cent look for a decided increase in the working forces and less than 1 per cent looked pessimistically for a large decrease in employment.

In the replies from the construction industry, more than five per cent of the plants reported excellent business, while 30 per cent reported good bus-

iness and 45 per cent reported fair business at present. The rest reported business as slow to poor. But, again in this industry, there was almost unanimous opinion that there would be a fine fall business; as 90 per cent of them reported making plans for extensions of their forces and much increased business. Seventy-two per cent of these replies showed a decidedly better business than last year, while 17 per cent reported no appreciable change and others did not see much change either for bad or better. But here the employment situation looked fine for the Fall, seventeen per cent reporting that they looked for large increases in their working forces; 65 per cent reported from small to appreciable increases; and the rest reported that they expected little or no change.

In the mineral oil, coal, gas and public utility field 100 per cent reported present business as from fair to excellent; fifty-three reported it better than in last spring; twenty per cent reported stocks on hand low, an equal number over and the balance no change. Increases in their working forces were reported by fifty per cent of the plants answering while the employment outlook for the Fall showed 100 per cent anticipating increases, with conservative estimates predominating.

Present business fair to excellent was reported by more than 92 per cent of the lumber and wood products concerned represented in the survey, while over 93 per cent attested their belief that business for the Fall would fall in the same category. Business was reported better than in last spring by more than 72 per cent, only 11 per cent finding it lower than last year, while in 22 per cent of the cases stocks on hand were reported as low, six per cent over and the rest normal. An increase, in most cases small, was reported by 78 per cent, while 88 per cent of the industries in this class anticipated further increases in the Fall, small accessions for the most part.

In the glass trade present business ranged from fair to excellent in 78 per cent of the cases, while the same condition of business was anticipated for the Fall by 100 per cent of those reporting. Business for this spring was reported better than in last spring by more than 64 per cent, only five per cent finding it behind. Stocks on hand in this industry were reported as low by 25 per cent of the plants, 5 per cent reporting themselves overstocked and the balance normal. Employment increases were shown by more than 69 per cent of those answering, while 100 per cent anticipated increases in the Fall.

Eighty-three per cent of the chemi-

cal industries represented in the survey showed present business in the fair to excellent class; 93 per cent looked for the same showing next Fall, 80 per cent reported an improvement over last Spring's business and more than 27 per cent reported low stocks on hand. Increases in employment were reported by 50 per cent in this industry, nearly 85 per cent affirming their expectations of further increases in the Fall.

Of those reporting in the drug trade, not one was on record as calling business poor, all the answers attesting it was from fair to excellent, with the same unanimity in the outlook for Fall business. Spring business, as compared with last year's was reported better in 92 per cent of these cases, only 7 per cent finding it behind last year's. In 33 per cent of the cases stocks on hand were given as low, the rest being normal. None of those heard from in this industry reported a decrease in the number of their employes, while all reply that they looked for increases, small in most cases, in the Fall.

Present business was reported as fair to excellent in the food industry in 93 per cent of the cases, while the same condition for the Fall was expected by 100 per cent. An improvement over last Spring's business was shown by 56 per cent of the replies, with 12 per cent reporting a slump. In 28 per cent of the cases stocks on hand were given as low, with 6 per cent finding themselves overstocked. Increases in employment were reported in 85 per cent of the plants, while there was no dissenting opinion as to employment increases in the Fall.

Present business in the paper and paper products industry was reported as fair to excellent by 90 per cent of those represented in the survey, and 95 per cent looked to a Fall business of the same character. More than 80 per cent found their business this Spring better than last year and 60 per cent reported stocks normal. Increases in their working forces were reported by nearly 66 per cent, and 92 per cent expected from small to large increases in Fall employment.

In the cement, brick and tile trade present business was reported as fair, good or excellent by all those represented, while 96 anticipate the same condition in their Fall business. Better business as compared to last Spring was the experience of 88 per cent in this line, with 85 per cent reporting stocks on hand normal. Increases in employment were shown in 75 per cent of the cases, with 89 per cent anticipating increases next Fall.

All of those represented in the survey of the paints and varnishes trade

were enjoying a business as either fair, good or excellent and all expected the same condition in the Fall. Better business than last Spring was reported by 88 per cent; 33 per cent show stocks on hand low, only 9 per cent overstocked, the rest normal. Seventy-five per cent were carrying increased working forces and all expected an increased employment in the Fall. In three lines of business that are sensitive to retrenchment moves by consumers—automotive and accessories, leather goods and jewelry—the survey showed a condition that should be fairly barometric of the up-swing in general business.

Present business was fair, good or excellent in the automotive line, according to the replies of 96 per cent of those represented, while 98 per cent called Fall prospects either fair, good or excellent, the 2 per cent minority having no outlook other than for poor business. An improvement over last Spring's business was shown by 90 per cent of the answers, with only 2 per cent reporting a slump, and the rest no change. Stocks on hand were shown to be low in 30 per cent of the cases, with only 3 per cent reporting over stock, and the rest normal. Increased employment was the order in 86 per

cent of the plants, while 84 per cent assert their expectation of Fall increases.

In the leather business 65 per cent of the replies showed present business to be fair to excellent, while nearly 90 per cent expected Fall business of the same character. One-half of those reporting showed better business than last Spring, 40 per cent a slump and the rest no change. In 30 per cent of the cases the stocks on hand were low, less than 4 per cent were overstocked and the rest normal. Employment increases were shown by 56 per cent of the answers, while 79 per cent were on record as expecting employment increases this Fall.

In a descending scale in these three industries, the jewelry trade in 52 per cent of the cases gave their present business as fair, good or excellent; 77 per cent expect business in Fall to be in the same classification; 75 per cent found business this Spring better than last year, and only 2 per cent experienced a slump as compared with last Spring. Stocks on hand were reported as low by 22 per cent, with 19 finding themselves overstocked. Increases in employment were shown in 37 per cent of the answers, but 83 per cent expect-

ed accretions of workmen in the Fall.

Under the heading of miscellaneous industries, including agricultural implements, electrical goods, hardware, metal goods, office appliances, printing and stationery, musical instruments, notions and women's wear and rubber, the survey showed 83 per cent reporting business as from fair to good to excellent, with 96 per cent on record as anticipating the same character of business in the Fall. Better business than in last Spring was the experience of 69 per cent with a slump reported by 19 per cent and the rest no change. Stocks on hand were given as low by 31 per cent of the concerns represented and 12 report themselves overstocked. Increases in employment were reported by 67 per cent and 87 per cent anticipated that they would be forced to add to their employees this Fall.

Hard work, defeat of the bonus, the passage of a tariff bill, the deflation of labor, adjustment of railroad freight rates, tax reform, restoration of peace in Europe, return of confidence and the adjournment of congress were the answers most frequently given to the query in the questionnaire: "What do you believe the most crying need for stimulating another prosperous era?"

## Ambassadorial Views On Commerce

*Special committee presents recommendations to convention following its study of the suggestions made by the diplomatic representatives of foreign countries to the N. A. M. at 1921 meeting*

**T**HE National Association of Manufacturers, in calling its twenty-sixth annual convention for May 1921, invited all the diplomatic and consular representatives accredited to the United States to take part in an international conference on world trade matters, and the conference was attended by five ambassadors and thirteen ministers, while forty countries were represented by ambassadors, ministers and other diplomatic representatives and by consuls.

Twenty-one of the official representatives of these nations made addresses at the conference, and many of them made suggestions with respect to ways and means of developing more direct and intimate trade relations between the United States and their respective countries and for obviating or mitigating the troubles there and now besetting international commerce.

The distinguished gentlemen who made definite recommendations or suggestions at the convention were the following:

**The Ambassador of France,  
The Ambassador of Italy,  
The Ambassador of Brazil,  
The Ambassador of Peru,  
The Minister of Poland,  
The Minister of Roumania,  
The Minister of Czechoslovakia,  
The Minister of the Serbs, Croats and Slovenes,  
The Minister of Sweden,  
The Minister of Persia,  
The Minister of Venezuela,  
The Minister of Ecuador,  
The Minister of Guatemala,  
The Chargé d' Affaires of Panama,  
The Secretary of Legation of Switzerland,  
The Commercial Counselor of the British Embassy,  
The Consul General of Spain,  
The Consul General of Denmark,  
The Consul of the Republic of China.**

It was to be expected that customs tariffs, credit accommodations and provision of capital for development of natural resources would be prom-

inently in the minds of all who had occasion to speak on matters pertaining to the world's trade. These subjects were especially dwelt upon by the distinguished speakers whose official positions are given above.

The Special Committee appointed to analyze and report on the recommendations and suggestions of the diplomatic representatives commented as follows:

In regard to a restrictive tariff, we must decline to discuss a subject which does not come under our province. Simply as a matter of commercial creed, we may say that this question has been, is and will be thoroughly discussed by the leading authorities in this as well as in foreign countries, leaving ample field and opportunities to all interested nations and individuals to manifest their opinions, and that we are sure that the final result will be reached only when all arguments have been taken into careful consideration, the deserving interests being safeguarded and the teachings

of experience being heeded. The United States is a part of the world's organism and does not pretend to live a life of complete isolation which, if difficult regarding political matters is absolutely impossible when dealing with commercial subjects. One of our illustrious advisers stated that "a restrictive tariff would prevent other countries from selling here, diminishing by that much their ability to buy from the United States." To a certain degree the argument looks plausible, but if dissected under a strictly commercial light it is seen to be fallacious. For years we were buying from the country he represents one hundred millions of dollars annually and selling only thirty millions of dollars without any of its leading products having to pay any duties here, while in France, where its leading product paid very high duties, the same country was buying as much as it was selling—which proves that commerce does not necessarily follow the line marked by the balance of trade, but conforms to other well known principles, which, though not invariable, are, fortunately, relatively steady.

Another advice from the same representative was given as a warning. He said: "It will provoke retaliatory legislation on the part of other countries." In strict justice, the whole world has to confess that while practically all countries raised their tariffs and established duties and prohibited importations, and built all kinds of barriers to foreign products, this country adhered to its 1913 tariff without variations, until circumstances compelled the adoption of certain changes which a majority of our legislators considered necessary for the preservation of our industries. No one can fairly accuse the United States of starting the avalanche of higher tariffs. We have not accused other countries of wrongdoing when we have seen them struggling for the readjustment of their finances. Not long ago we were essentially an agricultural nation. Our own resources and efforts have gradually converted us into an industrial one, and our legislative policy must be shaped to meet our changing needs.

This subject of long term credits was dwelt upon by several distinguished speakers. In considering this matter we have in mind the fact that long term credits have as many meanings as the number of countries to which it is applied. What is a long credit for England is a very short one for Colombia and, even in the same country, what is a long credit for a merchant in Callao or Lima is extremely short for an importer in Iquitos. Each individual case has to be taken upon its own merits. But, of

course, we have to agree upon the necessity of allowing to our customers, both in the domestic as in the foreign trades, all facilities in harmony with our own capacities and resources, and we earnestly recommend our members to consider this suggestion and follow it to the prudent limit of their own circumstances.

We avail ourselves of this opportunity to declare that, with few exceptions due to causes which we respect and do not criticize, the majority of our members have done in regard to extension of facilities as much as they could under the circumstances, and that very numerous are the examples of those who sacrificed entirely their own interests or are fiercely struggling to stand again on their feet on account of having maintained their long established credit arrangements with their customers.

With former sources of capital supply cut off, it was natural that the opportunities for the investment of money in the development enterprises should be dwelt upon at a great gathering of American business men by the representatives of countries with natural resources still unexploited.

We heartily sympathize with the views expressed on this subject, and recommend to American investors generally to give more attention to the possibilities for investments of capital in other lands for the development of their resources after careful study of all the pros and cons and always keeping in mind the idea of mutual benefit. At the same time our honored friends will not forget that even with the great development of our own resources already accomplished there yet remains ample opportunity for the profitable investment of capital in the United States and its territories.

A suggestion of the distinguished speaker mentioned in paragraph 1 refers to selling goods according to consumers' desires. We may say that under the point of view of immediate profitable trade, this is most desirable, but, at the same time, under the point of view of progress and future gains, an educational campaign should constantly be pushed wherever the American products are of greater efficiency than the ones which the consumers are using, as this policy will create new markets for our goods with undoubted gain for our customers.

Much of the criticism heaped upon American manufacturers in the past for their refusal to alter styles and patterns to meet the suggestions or whims of foreign buyers has been due to a lack of knowledge of manufacturing conditions here. Mass production is possible only when standardization is practiced, and changes

appearing unimportant in themselves would often disrupt production schedules and add to costs. Therefore although the manufacturer is desirous of meeting the wishes of his customers, he is often compelled by circumstances to maintain his standardized product. This Committee strongly condemns any wrong practices when soliciting or executing orders from foreign customers, also strongly recommends the members of this Association to give strict attention to all instructions they receive from their buyers not only in regard to the merchandise, but also in regard to packing, shipping instructions, etc.

The suggestion of the Panamanian representatives of using Panama as a distributing center by establishing bonded warehouses on the Isthmus deserves careful consideration. Your Committee recommends that the matter be thoroughly investigated by the Foreign Trade Department of the National Association of Manufacturers and the results reported to our Foreign Trade Committee for action.

We beg to make similar recommendations in regard to the suggestions of the representatives of Denmark and Czechoslovakia to establish distributing centers in Copenhagen and Hamburg.

The establishment of a strong central organization for developing the Chinese markets, a suggestion made by the Consul of China in New York, is undoubtedly a very good idea. The results of the recent conference at Washington we trust will afford China ample opportunity of continuing progressively that development of her great industrial resources which has been so active in recent years and encourage that coöperation on the part of Chinese and other nationalities which may be made of great mutual benefit when entered into on equal terms. This Committee earnestly recommends that our Foreign Trade Department make a careful study of Chinese conditions and opportunities for American products and acquaint our members with them so as to encourage trade with China under terms of mutual advantage.

We heartily endorse the suggestions for extension of the parcel post service, and, fortunately, the Post Office Department of the United States is fully alive to the importance of extending this service. Conventions have in recent months been signed with several countries, and at present there are very few which have not been placed on the list of those allowing our merchandise to enter by means of parcel post.

Among the countries with which the parcel post service has not been established  
(Continued on page 36.)

# The Foreign Trade Convention

*The Philadelphia meeting of the National Foreign Trade Council was satisfactory in point of attendance and stimulating in the effect of the addresses of the leaders in international affairs*

THE Ninth National Foreign Trade Convention, composed of more than 1,300 delegates, met in Philadelphia, May 10-11-12, 1922. In fourteen general and group sessions it gave careful consideration to the problems now confronting our international commerce, to the principles involved, and to special and technical means offering the best promise for helpfulness. At the closing session the general convention committee submitted its report embodying a statement of the present situation and some recommendations for the future. This report was adopted unanimously by the convention.

The leading features of the report were as follows:

The recovery of prosperity in the United States depends upon the ability of our people to sell at remunerative prices practically all they produce, running approximately full time and full-handed.

Our productive capacity is substantially greater than the normal requirements of the domestic market. It is evident, therefore, that sustained prosperity for this country depends upon sustained foreign trade; and because in so many lines of production profit depends upon prices that are determined in international markets, our interest in foreign trade is far greater than the mere proportion which it bears to our total commerce.

Despite the improvement wrought in the last year in many markets, the world's purchasing power continues impaired, and exchanges remain unbalanced. Europe's lingering recovery retards the restoration of normal conditions elsewhere. It is now evident, however, that the competitive advantage derived from extreme inflation by some European countries, notably Germany, is rapidly lessening as their production costs rise through wage increases and through increased costs of imported raw materials.

With extensive unemployment, this country never stood more in need of foreign trade. Unemployment will not be reduced to its minimum until our export trade absorbs the last ten or twenty per cent of normal production. The country has passed from a debtor to a creditor position. The volume of American foreign trade to-day is less, however, than would

have resulted from maintenance of the average rate of growth of the decade before the war. The value and distribution of our overseas commerce to-day is entirely inadequate for the service of foreign indebtedness to us and for the employment of the American Merchant Marine.

It must be recognized that the payment of foreign balances due the United States can be accomplished only in the degree that we are willing to accept goods and services. This by no means implies that the liquidation must be in competitive merchandise—on the contrary, it may take the form of non-competitive imports, irrespective of their origin.

The absorption of imports to the full value of the balances annually due us is dependent upon a fuller operation of our industries, including agriculture, and this in turn depends in part upon greater export trade. The most notable development in our foreign trade during the last year has been the importation of securities representing either American investment abroad or the funding of the excess value of our exports.

The needs of other countries, especially in Europe, for long term credits afford opportunity for the employment of American investment funds in ways that will be beneficial to both borrowers and lenders.

The importation of sound securities serves either to liquidate outstanding foreign obligations or to furnish new occupation for American industry. It is of the utmost importance that our investment bankers when negotiating foreign loans should always have in mind so to handle them as to further American trade and they should, as far as practicable, provide for the expenditure of some portion of the proceeds in this country for exports.

The measure and means of financial assistance which America can or should extend to other nations is predicated, of course, upon the recognition by those nations of their obligations and responsibilities. Not a dollar of American capital or credit should be used for political propaganda or militaristic purposes. American dollars are now all peace dollars. If and when European countries particularly shall establish political and social order, adopt a sound fiscal

and financial program, reduce enormously inflated money issues and introduce a rigid system of taxation and economy to enable them to balance their domestic budgets, then the confidence of the American investor in their securities will be restored. Given these conditions, America must be prepared to cooperate liberally in the task of world restoration.

The experience of the past year has confirmed and emphasized the need for the establishment in this country of adequate facilities for the granting of long term credits, so urgently needed to restore sound conditions in Europe and to re-establish a normal inter-change of exports and imports. Authority for the creation of these facilities exists under the Edge Act. Thus far this authority has not been utilized because of the failure to organize a corporation with resources sufficiently large to insure success as a debenture issuing and marketing bank. If necessary, the Federal Reserve Law should be further amended so as to attract the capital required for the organization of one or more Edge Act corporations, with resources commensurate with the services required.

In the Merchant Marine Act of 1920 the American people have declared their purpose to do everything needful to insure the maintenance of a merchant fleet under our flag. The chief requisite for a successful American merchant marine is support by the American people. The greatest obstacle in its way is the lack of loyal preferment by our shippers and travelers, service, rates and accommodations being approximately equal. By selling C.I.F. and buying F.A.S., they may control routing by American steamers.

The measures proposed in Congress to enable our merchant marine to operate profitably, though concrete and definite, are so comprehensive as to require careful analysis and full consideration. They originate in recognition of the fact that the existing handicaps are largely government imposed and require some compensatory legislation. In the pending national discussion of the practical solution of our merchant marine problems, due consideration should be given to the relief from inhibitions and restrictions, which are largely respons-

ible for present high costs of operations so that any burden assumed by the government may be minimized, foreign reprisals averted, and cumbersome machinery of profit accounting avoided.

The principle of private ownership and operation has been recognized by Congress as fundamental. Overseas shipping is an international business, peculiarly sensitive to interference by government, and until the American merchant fleet is relieved from unreasonable regulation, particularly in respect to rates, routes and services, it cannot be expected to compete successfully with foreign fleets free from such restrictions.

One special handicap now borne by American ships, is the greater capital cost of vessels built prior to the recent reductions. This is due to the tax policy of our government which has not allowed depreciation corresponding to the fall in values since the war. Our chief competitors, however, have been permitted to write down the value of existing ships to an average materially below ours, with consequent substantial reduction in capital charges.

So far as further sales of government owned tonnage are concerned, this factor must be reckoned with in

the determination of prices. So far as privately owned ships are concerned, there should be prompt recognition of it by the internal revenue bureau, and an amendment of the law if necessary.

The vast market which the United States affords to other nations on a basis of equality and the supplies of American raw materials and manufactured merchandise exported without taxation or discrimination, entitles American trade, American traders and American enterprise in foreign countries to entire equality of treatment.

To insure such equality of treatment the American tariff, whatever its underlying principle, should provide for additional duties or imports from nations discriminating, by tariffs or administrative practices, against the trade or shipping of the United States.

We urge the necessity of bringing about an adjustment between the costs of railroad transportation and other expenses of production. The processes of our economic life cannot proceed in orderly fashion when wages of labor and prices of commodities are seriously out of alignment, and the interests of labor are not less than those of the producer and manufacturer.

Agriculture is the chief of the key industries of the United States. It is fundamental that there can be no general prosperity for the country unless there is agricultural prosperity. But prosperity for agriculture depends upon the sale of its surplus products at prices determined by international market conditions. Our farmers are entitled to every facility of transportation, finance and credit that will enable them successfully to meet the competition of other agricultural nations in world markets.

The conditions confronting our foreign trade today demand increased effort to expand our commerce against increasing competition. This is no time to relax effort just when foreign markets are recovering their ability to consume and our foreign competitors are increasing their ability to produce and their selling activity in all fields. Our foreign trade has suffered in the past through lack of persistent effort to hold and develop fields in which a footing has been gained. This is the time above all for activity, courage and persistence. It is peculiarly essential to remember that it will cost much more to regain in the future a business lost now through lack of courage and tenacity.

## Sees Trade Revival In Three Years

**M**ANY shipping companies in coastwise trade contemplate replacements in their fleets, J. L. Ackerson, president of the Merchant Shipbuilding Company, declares in discussing the shipbuilding outlook in America. Not until a trade revival which seems from three to five years off, comes will there be any appreciable demand for new ocean-going liners, the former head of the Emergency Fleet Corporation added. In the coastwise trade, however, Mr. Ackerson said, "already there is much activity on the part of ship operators looking towards the building of new ships and the conversion of some of the more suitable of the Shipping Board ships."

Admitting that the Americans had been backward in adopting the Diesel-engined ships, Mr. Ackerson said that the "economy of operation is so startling that the change from the present accepted type of machinery to Diesel machinery will make a change in shipping in the next decade which will not be unlike the change from sail to steam. This change will progressively extend from the cargo vessels to passenger ships first with

the low-powered twin-screw passenger ships, and later to the larger ships."

Contending that the war-built ships should not be considered as an "adequate or suitable" increment to the merchant marine, Mr. Ackerson declared that, inasmuch as comparatively few passenger vessels or combined freight and passenger vessels had been built, there would be a demand for these ships and special

types in about five years, at which time, he figured, the world will have worked back to "normal." "It should be remembered" he added, "that there is no greater tonnage of vessels available to-day than would have been available to-day had there been no world war."

With the increase in international trade the demand for ships, Mr. Ackerson pointed out, will increase.

## Polish Chamber Meeting

**T**HE third annual meeting of the American-Polish Chamber of Commerce and Industry in the United States was held at the Bankers' Club in New York City, May 18th. About one hundred and fifty men prominent in industry, finance and commerce attended the meeting and listened to optimistic addresses from the President of the Chamber; from the President of the Radio Corporation of America which is erecting a station in Poland; from the President of the Baldwin Locomotive Works, whose company has shown its faith in the

development of Poland by coöperating with the Polish government in the equipment of Polish railways; from the Vice-President of the Northwestern Trust and Savings Bank, which institution has taken a keen interest in the financial affairs of Poland and from Mr. Benjamin F. Castle of the Irving National Bank on the "Steady Demand for American Cotton by Polish Textile Industries." The first-hand observations of most of these gentlemen furnished evidence of the strenuous efforts the responsible representatives of Poland are making.



# To Formulate Tax Legislation

*National Industrial Council, endeavoring to bring about a more complete agreement among industrial groups, will appoint committee to express fundamental ideas that should underlie new law*

THE Ninth Semi-Annual Conference of the Advisory Committee and state industrial association executives, held by the National Industrial Council at the Hotel Pennsylvania, was concluded on Saturday, May 13th, after a three day continuous session.

Thirty-six, out of a possible thirty-eight state industrial associations were represented at the conference. Some of the important decisions arrived at by resolutions adopted deal with Federal Taxation, Soldiers' Bonus, Immigration, and the further development of statewide industrial councils throughout the country.

The resolutions relative to Federal Taxation declared that, after careful analysis and consideration of the subject, it was the consensus of opinion that no satisfactory tax legislation can result until there is more complete agreement among the industrial interests, as well as the members of Congress upon fundamental principles underlying such legislation. John E. Edgerton, Chairman of the National Industrial Council, was, therefore, authorized to appoint, from the various state associations affiliated with this organization, a special committee of five, which will have the task of formulating a statement expressing fundamental principles which should underlie all future Federal Tax legislation, and pointing out also, certain provisions which should be eliminated. This committee, when appointed, will progressively advise and consult with the executives and members of the various state industrial associations affiliated with the National Industrial Council, in considering the matter in hand and arriving at conclusions, and will render a report on these conclusions at the next semi-annual conference to be held in New York in November. It was further resolved that the special committee should give careful consideration to the proposition of calling a National Tax Congress, representative of American industry, and also to report back on this proposal at the next meeting to be held in November.

On the question of Soldiers' Bonus legislation, a resolution was tele-

graphed to President Harding at the White House by the National Industrial Council representing its affiliated membership — 75,000 employers throughout the United States, endorsing the position of the President upon the question of a general soldiers' cash bonus payment as evidenced by his letters and public statements, and expressing the confidence of the industrial interests in the chief executive maintaining such an attitude.

The resolutions declared that industrial elements "recognize to the fullest the obligations of the country to its defenders, and pledge its support to all necessary measures for the care and betterment of those maimed or impaired in the war, and for the care of the dependents of those who gave the last full measure of devotion." The resolutions further declared, however, that "for the able-bodied soldier returned to the status of civil life, a revival of business and commercial and industrial activity will furnish the best bonus possible and one involving no commercialism of patriotic service.

In conclusion, the resolution declared "we are convinced that in the present state of business and public finance, any further burden of taxation to provide a cash soldier's bonus is unwise and will react in terms of lessened support for employment upon its intended beneficiaries."

On the question of National Immigration legislation, it was the sense of the conference that the country was in sore need of a practical and constructive National Immigration policy. It was decided, therefore, to appoint a committee of five, to formulate and report on this subject at the next semi-annual conference.

Some of the reports rendered at the sessions indicated the wide-spread development among the industrial states of the co-ordination of industrial association activities under an informal organization known as State Industrial Councils. Within the last two years, the report showed that state industrial councils had been developed in twenty out of thirty industrial states having state-wide industrial associations in active existence. It

was the sense of the conference that this movement towards the co-ordination of association activities within the respective states, under the leadership of the respective state-wide industrial associations, should be encouraged in every possible way, in order that all elements of industry may, more effectively, assert themselves on public questions and on legislative enactments affecting business activities.

Reports were received from the various states represented regarding business and labor conditions, the feeling predominating among all those who reported that by the end of the present calendar year, a very substantial degree of employment in agricultural, industrial and financial conditions might be, or will take place, and that the country will be well on the road to normal business conditions by that time.

The conference, which was bicameral and round table in character was participated in by representatives from the following associations: Alabama Manufacturers' Ass'n; California Mfrs. Ass'n; Colorado Merchants and Mfrs. Ass'n; Mfrs. Ass'n. of Connecticut, Inc; Wilmington, Del. Mfrs. Ass'n; Georgia Mfrs. Ass'n; Illinois Mfrs. Ass'n; Indiana Mfrs. Association; Iowa Mfrs. Ass'n; Associated Industries of Kansas; Kentucky Mfrs. Ass'n; Louisiana Mfrs. Ass'n; Associated Industries of Maine; Merchants and Mfrs. Ass'n. of Baltimore, Md; Associated Industries of Mass; New Hampshire Mfrs. Ass'n; New Jersey Mfrs. Ass'n; Associated Industries of New York State; Associated Industries of North Dakota; Ohio Mfrs. Ass'n; Oklahoma Employers' Ass'n; Mfrs. & Merchants Ass'n. of Oregon; Pennsylvania Mfrs. Ass'n; Rhode Island Employers' Ass'n; Mfrs. & Employers' Ass'n. of South Dakota; Tennessee Mfrs. Ass'n; Texas Industrial Ass'n; Utah Associated Industries; Associated Industries of Vermont; Virginia Ass'n for the Common Good; West Virginia Mfrs. Association, and the Wisconsin Mfrs. Association.

# When Liberty Needs A Friend

*Analysis of union labor leaders' insistence on closed shop shows that its basic idea is a limitation of opportunity in trades through an undemocratic and arbitrary control of them*

*Written especially for AMERICAN INDUSTRIES*

By **MICHAEL J. HICKEY**  
National Industrial Council

**T**HERE is much public misconception concerning "liberty" and "tyranny" in the field of employe-employer relations. Labor leaders are largely responsible for this condition. A recent instance of this is contained in an open letter to the New York Times of February 10th, 1922, from J. H. O'Hanlon, legislative agent of the New York State Federation of Labor, referring to legislative bills then pending in New York to establish industrial courts.

"This measure", said Mr. O'Hanlon, "is undemocratic and un-American. It deprives worker and employer from settling differences between them in their own way. It is autocratic and not at all in harmony with our free institutions."

We frequently hear the president of the American Federation of Labor discussing the same general subject of the "slave" and the "freeman" in modern industry, particularly in reference to the industrial courts. The "freeman," Mr. Gompers contends, may work or not as his choice, opportunity or fancy merits.

Without any purpose of discussing or defending either the merits or demerits of compulsory arbitration, such public expressions by Mr. Gompers and his fellow trade unionists justify some analysis of the closed (union) shop and the "open shop," the latter being frequently defined by trade union leaders as "autocratic" and "oppressive." The best way of testing the sincerity, or at least the consistency, of these statements is by propounding direct questions, based upon the denunciations.

Are workers and employers prevented "from settling differences in their own way" in the "closed shop?" The employer who signs a "closed shop" agreement automatically accepts also the working rules of the union. Are these rules made by the men in his plant, in consultation with the employer and with the needs of the particular establishment in mind, or are they made in the vast majority of cases by men, 5% of whom probably have never seen even the outside of the plant? Are workers prevented from

working by jurisdictional disputes, involving vast losses to their employers, who can have no voice in settling the points at issue? Are workers who have absolutely no complaint against their own employers prevented from working by "sympathetic" strikes? When a dispute arises in a closed shop can it be settled amicably between employer and workers "in their own way" or must the latter be bound by the rules of the union, represented by the "business agent", even though they consider those rules to be unfair when applied in that particular shop?

Does the "closed shop" increase the number of "freemen" in industry? Take the aspects of "choice" and "fancy" mentioned by the president of the American Federation of Labor. About half of the unions which are members of that organization have "apprenticeship" rules, which limit the number of youths who can learn skilled trades. Can the boy learn a trade simply if his parents are willing, if he desires to do so, and if an employer offers the opportunity? Or can he be prevented from doing so if the union refuses its permission? Who limits opportunity and increases the number of those who, for the balance of their lives, must work at unskilled labor, with its much greater risk of unemployment? Is such a system "democratic", "American", and "in harmony with our free institutions"? Is it lawful and "American" to make an honest living in an honest manner? Only a positive answer is possible by those who still believe in "our free

institution." Yet our closed shop friends assure us that unions are justified in refusing to permit those to work who have the opportunity to find work but do not possess a certificate of membership in a private society. Men go on strike and refuse to work. Have they a right to denounce, abuse, and even assault those who have the "opportunity" to then find employment at an honest task and to earn honest dollars with which to support themselves and their families? Does the closed shop increase or decrease "freedom" in industry?

Clarence Darrow, the distinguished attorney and ardent champion of the "closed shop" was asked when testifying before the Industrial Relations Commission a few years ago to give his definition of a fair social system. He replied:

"I think a state of society where everybody who is able to work and is willing to work, where one can find opportunity to employ his labor, and where people practically get the same reward for the same amount of time, would come about as near being a fair social system as you could get."

Does not the closed shop in practice so operate as to prevent the man who is "able to work", "willing to work" and who has found "opportunity to employ his labor" from going to work? It prescribes additional and "un-American" qualifications which a man must have before he can get a job. Is it possible that closed shop advocates want "liberty" for themselves and "tyranny" for all others?

*(Continued from page 32.)*

lished are Canada and Cuba, though packages of a weight not exceeding 4 pounds 6 ounces are admitted through the mails. Efforts have been made to establish a formal convention on this matter without success, probably due to the opposition of the importers and retailers in those countries, who claim that such facilities offered to the buyers would harm their trade and establish an unfair competition. Other countries like Mexico, Chile, Peru, Argentina, etc., have kept their conventions, but have established

either custom house surtaxes or delivery taxes on imports by parcel post, thus protecting the home merchant from anticipated severe competition by post.

The representatives of Sweden suggested frequent economic conferences. The National Association of Manufacturers has always patronized economic conferences, and its conventions have dwelt with foreign trade subjects of great importance. This Committee earnestly recommends the promotion of frequent economic conferences,

*(Continued on page 40.)*

# Our Machinery Hope Of Armenia

*American farm implements used by Near East Relief on fields of Bible lands and their introduction will be the biggest factor in establishing the economic independence of a starving nation*

*Written especially for AMERICAN INDUSTRIES*

By **BARCLAY ACHESON**

Associate General Secretary of the Near East Relief

**T**HE introduction of American machinery in Asia Minor will be the biggest factor in establishing the economic independence of a starving, war-torn nation.

While the rest of the world was getting back to normal, warfare continued in the Near East, and it was not until last spring that peace was established in Armenia, too late for the planting of crops, even if seeds and implements were available. Hence this country has experienced a miserable winter of suffering and famine such as the world has seldom seen.

Among the first things the newly established Armenian Government did was to turn over to the Near East Relief 17,600 acres of land to teach the youth of the people American methods of farming.

Armenians have been a great agricultural people for over 2,000 years. In normal times fully 80 per cent were tillers of the soil and their land was once the most fertile in the world. During all the hundreds of years the most primitive methods of husbandry sufficed, and would probably have still sufficed but for the great crisis that induced the Orientals to change their settled habits.

The cultivation of 17,600 acres seemed like a very expensive undertaking for the Near East Relief until Leonard R. Hartill, the agricultural expert sent out to investigate the possibilities of the land, reported the soil such that one bushel of seed would yield fifteen bushels to the acre; and stated that the experiment ought to pay for itself in a year.

In accordance

with Mr. Hartill's advice, the kind of machinery best adapted for farming in the Near East was immediately ordered, and this spring has seen the first invasion of American machinery in Bible lands.

Arrangements have been made to put in 600 acres in vegetables to provision the American orphanages and soup kitchens and to offer produce for public consumption. Two thousand acres are to be planted in wheat, barley, rye and millet and the remaining 15,000 will be devoted to cattle raising.

The Government of Greece has also allotted land to the Near East Relief to be worked by hundreds of refugees encamped near Constantinople. A farm colony has been established in Thrace, once a great wheat growing area, to provide employment for 5,000.

It has been the object of the Near East Relief from the time it was authorized by Congress to engage in philanthropic work in the Levant, to help the Armenians to help themselves and to avoid any tendency to pauperize the refugees; but with the economic system of the country shot to pieces, industry at a standstill, unemployment

everywhere and little to eat, the situation has been most difficult.

Realizing, however, that the ultimate success of the Armenian people depended on the childhood of the nation, attention has been concentrated on the establishment of American orphanages where boys and girls are not only fed and clothed, but given the rudiments of an ordinary school education and taught a trade.

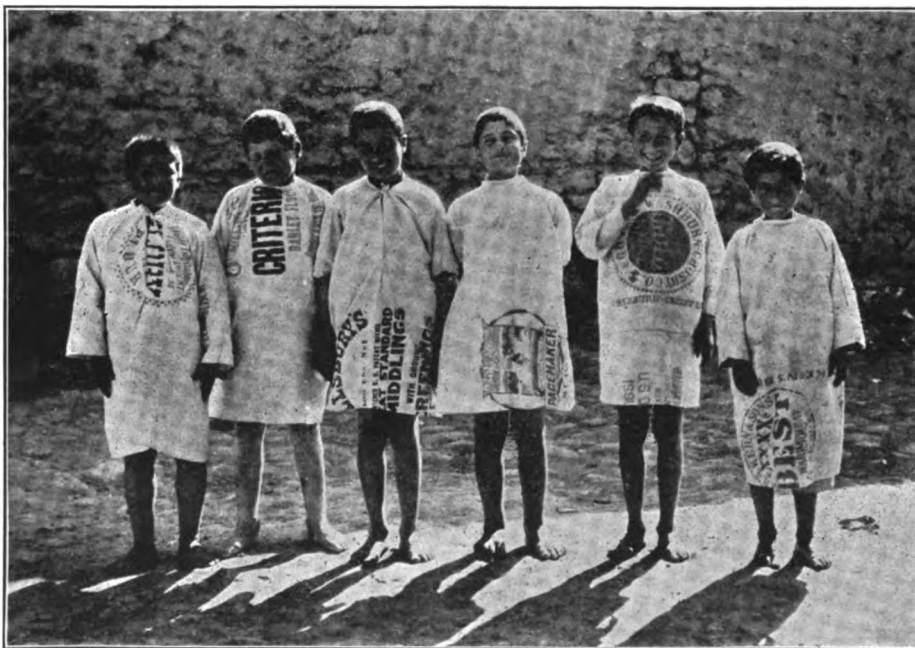
It is believed that the industrial training programs inaugurated in these orphanages will be the means of eventually awakening Eastern people to the needs of modern industrial machinery when economic life is finally re-established.

The first concrete evidence is the wish of the Armenian government for American farm implements. The efficiency of American gardening was first results attained in the truck farms surrounding the Near East Relief orphanages in the outlying country districts.

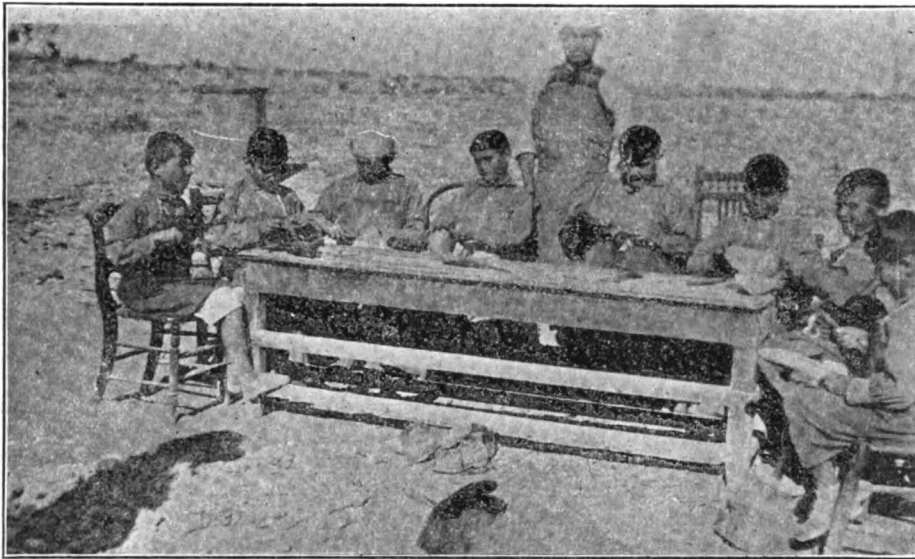
At present the Near East Relief is conducting 124 orphanages in which there are 65,000 children wholly dependent upon the orphanage as their only home, and approximately 50,000

others fed and dependent on the orphanages for the necessities of life.

These children, entirely supported through the generosity of the people of the United States, are being taught to take care of themselves, and they are doing it surprisingly well when you consider that most of them were little more than savages, who had been wandering about the country for five years, victims of war, massacre and deportations. They were accus-



How little it takes to make some small hearts happy—clothed in Yankee flour sacks



Orphans making shoes in open air

tomed to sleeping in caves and open fields, begging and sometimes stealing food, or whatever else they needed. At length, almost worn out with the battle for existence, they have been picked up by Near East Relief workers and established in American orphanages. Most of the children are not only without parents, but have no known living relatives. Many of them, orphaned in infancy, do not even know their own names.

Exigencies of life in the territory of hunger have been so great that the orphans have learned to do practically everything for themselves from making their shoes and clothing, to building furniture, creating household utensils and repairing the buildings.

This is made possible through the introduction in the orphanages of classes in carpentry, shoemaking, tailoring and in some cases brickmaking and blacksmithing for the boys; and dressmaking, mending, embroidering and weaving for the girls. Every class is presided over by an American expert until natives are trained for the work.

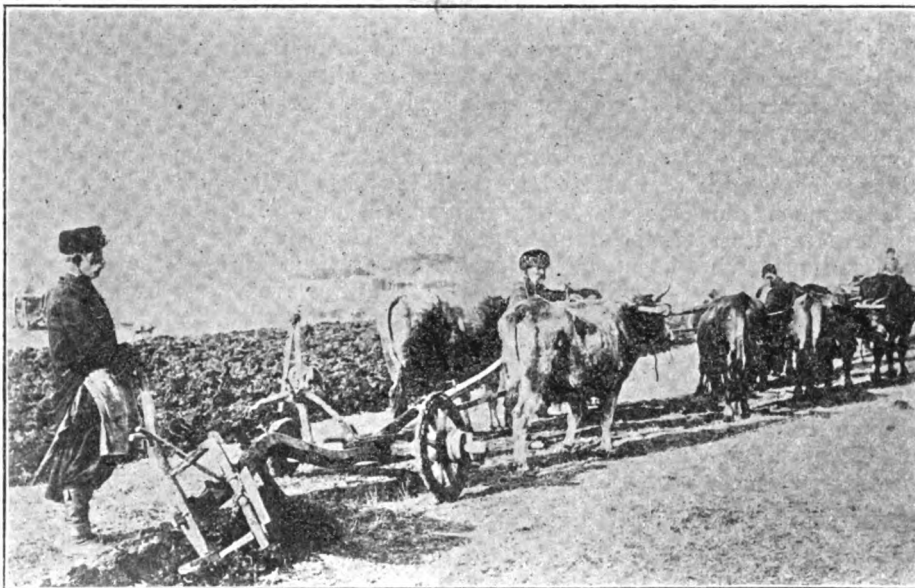
The three R's are by no means neglected. Instruction is given in the Armenian language, reading, spelling, arithmetic, geography, general and natural history and hygiene; but it is doubtful if these undernourished children would have applied themselves to

"booklearning" so readily if it were not for the opportunity to do creative things following a morning devoted to study.

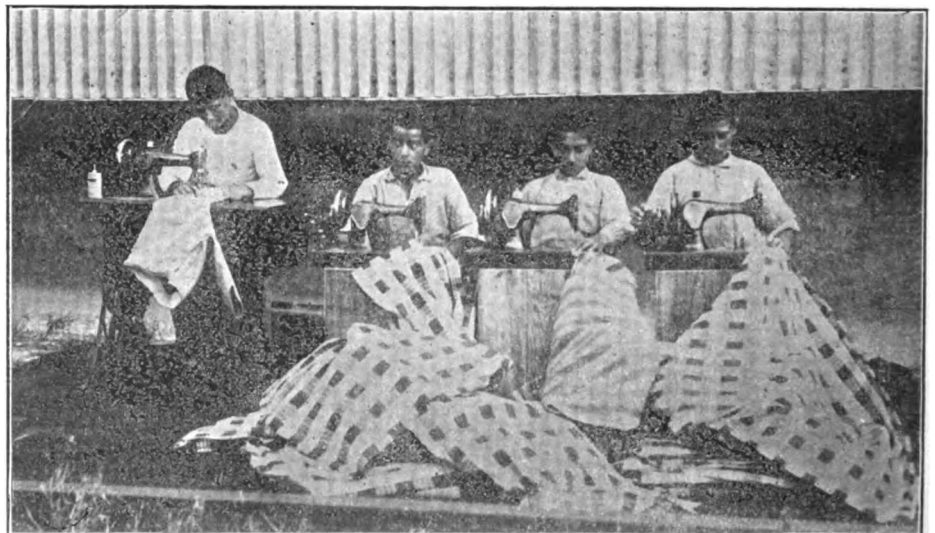
Armenian children are ambitious and quick to learn, once their bodies become normal, and they take to American methods very readily, even to the introduction of American hygiene—a real innovation in the Near East. When these boys grow up and prosper there is going to be a great demand for American bathtubs and other sanitary appliances, judging by their delight in American baths.

Working under American direction is so novel to these children, who have almost forgotten how to play, that they set about their tasks with considerable vim and enthusiasm. That is probably why they become skilled workers in so short a time. There are boys and girls in Near East Relief orphanages who are qualified artisans at twelve.

Wherever there are refugee colonies, Near East Relief orphanages spring up. The largest is at Alexandropol, where 18,000 boys and girls are housed in army barracks comprising 200 buildings, which if placed end to end, would form a line two miles long. These children represent the childhood of 400,000 refugees who fled from Van, Erzerum, Trebizond and Bitlis during the



To replace these primitive implements American tractors are being sent to Armenia



Boys using American sewing machines



uprising between the Turkish Nationalists and the Bolsheviki.

Craftsmanship has probably developed further in this juvenile city than in any of the other American institutions. It was here that boys and girls learned to use American sewing machines to fashion their garments from discarded American clothing, and it was here they first saw a kitchen fitted with American cooking utensils and ranges.

Apropos of utensils, when the refugees poured into Alexandropol so rapidly, it became a difficult matter to find enough vessels to feed them. Some one suggested using the discarded condensed milk and baked bean cans. Accordingly the tinsmithing industry was started and boys were instructed how to smooth off edges of the cans and put on handles. Tin forks and spoons were also created and finally tin cans were utilized for shower baths. There isn't anything wasted in "Hungerland."

American flour is advertised in the Orient in a way the manufacturers never dreamed of. In this juvenile city children are apparently placarded with "Eventually, why not now?" But they are not placards at all, they are real flour bags that have been made into skirts and blouses, because the children haven't anything else to wear!

Shoeing 18,000 children is quite as difficult a problem as feeding and clothing them, and this contingency was also solved by the boys. From a shipment of hides from America the required shoes were fashioned under the direction of refugee bootmakers. In another shipment came a consignment of apparently unwearable shoes—the mismatched samples an American manufacturer had offered to the Near East Re-

lief. They were eagerly accepted. In fact there is very little that is not acceptable in a land that has next to nothing. Boys went to work with a will on the task of producing a right for every left and in a short time the shoes were ready for the wearer.

So much for the work of the children. Finding work for the adult refugees is far more difficult. It is pathetic to note the eagerness with which these unfortunate homeless people accept the most menial and unre-

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Refugee women given employment at weaving

munerative forms of work in order to help sustain life for the family. The fact that the doorkeeper and porter in the Near East Relief personnel house at Tiflis is a former Russian general and former head of the Russian Military training school of Russia; that the gatekeeper at its headquarters at Constantinople, once an influential Russian lawyer, and that other menial positions are filled by well educated Armenians, Greeks and Russians will suggest at once the desperateness of the situation

and the difficulty that a wholly unskilled, illiterate laborer has in earning a livelihood for his family. Industries of various types adapted to the training of the men, women and children are organized wherever practicable and conducted at most of the relief stations. Lack of tools and raw materials frequently prevents the development of ideal industrial work. Native crafts are particularly encouraged. One of the great difficulties has been to find an outlet for the work. Formerly the Near East Relief largely depended on the shop maintained at Constantinople for this purpose, but when tourists ceased to come to Constantinople because of the turbulent condition of the country, other means had to be found.

Last Christmas the experiment was tried of importing Armenian laces, woven fabrics, embroidered linens and rugs, all the handwork of the refugees, and placing it on sale at the National Headquarters, 151 Fifth Avenue. So successful was the venture that \$10,000 worth of Armenian work was sold. New York stores are now coöperating with the Near East Relief in disposing of Armenian merchandise.

America is a name to conjure with in the Near East because American dollars

have saved the lives of over a million Armenians, one-half of all that is left of the first Christian nation of the world.

What is to become of these 100,000 orphans being nourished back to life, instructed in principles of thrift and industry, and inspired by American ideals?

It is hoped the Near East Relief will be able to provide for them until they can be absorbed into industry, which will probably take about five





Girls making clothes for orphans with American sewing machines

years. Industry in the Caucasus today is dead. It takes a long time for a famine-stricken people to make a new beginning.

Americans have given \$60,000,000 in the last five years to save Armenia. Probably never in the world has so colossal a sum ever been given by the people of one nation to save another. And the work cannot stop. Armenia must be rehabilitated by the help of American dollars and the aid of American machinery.

There can be no question that the

money now being used to save the children of the Near East and train them for leadership in trades and professions will prove an investment yielding many hundredfold returns, not necessarily to the donors who make the investment, but to the world at large, and especially in the development of the prosperity of the Near East. Like any investment in childhood and education, it is a strategic use of money which will richly bless the world, strengthening good will for decades and centuries to come.

## Would Extend Foreign Credit

**E**XTENSION of credits abroad would aid the American exporter in the development of profitable markets in countries in need of goods manufactured here, according to L. Reynolds Morgan, who has just arrived in New York from the Union of South Africa after many years spent there as agent for the National Bank of South Africa.

Mr. Morgan has come to this city to head the local branch of the National Bank of South Africa, while H. Judson, who has been connected with the branch here, will go to London as assistant manager.

The lack of proper credit facilities is causing the American to lose in his race with the German and other Europeans in South Africa according to Mr. Morgan. Germany is especially active there at present and is importing large amounts of machinery, toys and other manufactured goods.

"The trouble with the American

exporter," Mr. Morgan said, "is that he wants cash from the purchaser in South Africa as soon as the goods are put on the rails at Detroit or any American city. The English practice and that of Continental countries is to extend credit to the reliable purchaser.

"The South African purchaser has money and can pay his bills, but he dislikes paying for goods before he sees them and before he gets a chance to examine their quality. He is willing to buy from the United States, however, and in many ways it is a more logical market than England. The climate is similar, and agricultural and other machinery adapted to this country is equally useful there.

"The merchant there is without prejudice. He will buy from the United States, from Germany or from England without preference. He will buy where prices and credit facilities warrant."

South Africa has entered a period of rapid development within the past few months, according to Mr. Morgan. Living costs now are very low, immigration is restricted to skilled laborers with some means, unskilled native labor is plentiful and the agricultural resources of the country are developing rapidly under the stimulus of Government sponsoring of irrigation projects. The mining of gold and diamonds and the pastoral resources of the Union are already highly developed.

Recent American tariff legislation has impeded the importation of wool from South Africa, Mr. Morgan said, because of the assessment of the duty on the basis of weight rather than value. Much of the wool from South Africa is unscoured, and for that reason duty must be paid on the very high percentage of grease yet in the wool. Under an *ad valorem* tariff provision importation of the better qualities of wool from South Africa would be increased, Mr. Morgan believes.

The recent labor disturbances that caused the mines and other industries of Johannesburg to shut down for many weeks have been settled on a permanent basis, Mr. Morgan said. Confidence has returned to a remarkable degree, and that has been reflected in increased commercial relations with other countries, he said.

Many of the principal industries were unaffected even during the strike, according to Mr. Morgan. Among these industries the production of hides and skins plays a leading role.

South Africa provides a market for American tractors, harvesting and other agricultural machinery, electrical supplies, cutlery and hardware, office supplies of all kinds, automobiles and a wide assortment of manufactured articles. If the American exporter can extend his credit facilities he will have a good chance in competition with European countries, in the opinion of Mr. Morgan. Exporters here should not be reluctant to use the banking facilities already provided by institutions with branches in this country and in South Africa, he said, in pointing out that information of all sorts relative to foreign markets was available at banks here and the Department of Commerce.

(Continued from page 36.)

inviting foreign official representatives and foreign chambers of commerce and business men to present their ideas and offer their suggestions to our members so as to arrive at a better understanding of mutual requirements and to cultivate trade.

# FOREIGN TRADE OPPORTUNITIES

The inquiries for American goods received by the National Association of Manufacturers from abroad will now appear in these columns. In order that the confidential nature of the inquiries may be preserved for the benefit of our members, the addresses of inquirers will not be printed in "American Industries," but the inquiries are numbered, so that members interested in communicating with any of the inquirers may obtain the addresses by writing to the Foreign Trade Department of the Association at 50 Church Street, New York, and mentioning the number or numbers whose addresses they may desire.

Where no language is mentioned, letters in English will be understood.

## MEXICO

**Leather.** The inquirer desires to secure agencies, particularly in fine leather and patent leather. Correspondence in Spanish. (341)

## WEST INDIES

**Dish washing machines;** also machinery for making folding paper boxes are of interest to a machinery merchant in Cuba. (342)

**Steel posts for wire fences.** Quotations and detailed particulars are required by a firm of commission agents in Porto Rico. (343)

**Embroideries.** A merchant in Porto Rico wishes to purchase these goods. Correspondence in Spanish. (344)

**Confectionery and chocolates for Trinidad.** A firm of merchants desires to represent an American confectioner. (345)

## ARGENTINA

**Gang cotton ginning machines.** An estimate is required on an installation as follows: 1 gang cotton gin of 70 saws of 10 inches, 1 basket feed of 70 saws, 1 horizontal condenser, 1 box press with screws of 5 inches for baling, run by fast and loose pulley. Total cost c. i. f. Buenos Aires is required. Catalogs, detailed particulars and time required for delivery are also of interest. This inquiry was referred to the N. A. M. by a commercial organization in the United States. Correspondence in Spanish. (346)

**Cotton goods,** bleached, unbleached and colored; cotton prints, cotton shoe linings, woolen and cotton and woolen dress goods, elastic fabrics and notions, silk braid, sewing silk and silk and cotton mixed fabrics. A manufacturer's representative desires

American agency connections. Correspondence in Spanish. (347)

## COLOMBIA

**Cotton goods,** including sheetings, shirtings, bleached goods, gray drills, denims, plaids, colored drills and suitings, fancy cottons, dress goods, drapery fabrics, mercerized fabrics and linings. The inquirers desire to hear from American manufacturers. Correspondence in Spanish. (348)

**Drugs,** pharmaceutical products and packing materials for druggists and chemists. Party in Colombia desires catalogues, quotations and full data. Correspondence in Spanish. (349)

**Card board boxes** suitable for putting up pastes are of interest to a firm of paste manufacturers. Correspondence in Spanish. (350)

## ECUADOR

**Machinery for grinding sugar cane,** corn shellers and saw mill machinery and apparatus is of interest to a merchant. Correspondence in Spanish. (351)

## BRITISH GUIANA

**Druggists' glassware,** drugs, chemicals and pharmaceutical preparations are of interest to a party who is about to establish a wholesale and retail drug store. (352)

**Cotton textiles** of all kinds, underwear, hosiery and similar lines for British Guiana. The inquirer is representing British houses in other lines and is now seeking American agency connections. (353)

## PERU

**Electric washing machine.** The agent in Peru of a large American piano factory wishes to secure the exclusive agency of a good electric wash-

ing machine for family use and has requested his principals to send him a sample of the machine they consider the most suitable for that market, as well as prices, catalogues and other details. (354)

**Machinery for the manufacture of tannin.** Correspondence in Spanish. (355)

## CHINA

**Iron and steel products,** including mild steel and structural products,

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sw

wire and wire products and sheet metal products. An iron and steel importing concern, whose representative has just passed through the United States on his way to Europe, wishes to receive quotations and other particulars from American manufacturers. They state that they pay cash in New York for all purchases. (356)

#### JAPAN

**Construction and road making machinery** for the government of Formosa will probably be purchased in considerable quantity in the near future as the result of reports and recommendations which may be made by certain officials from Formosa who are expected to arrive in the United States at the end of April. These gentlemen are: Yoichi Hatta, chief engineer of the Kanan Irrigation Association, Kagi, Formosa, and Nobuichi Kuranari, mechanical engineer, at-

tached to the Public Works Department of the Formosan Government General, Taihoku, Formosa. They will make their headquarters with a well-known Japanese house which has branch offices both in San Francisco and New York City. (357)

**Knitting machines** of the most modern and improved types are required by a firm of manufacturers. (358)

**Broom making machinery.** The inquirers desire to purchase machines of this kind and wish to receive catalogues and quotations. (359)

#### INDIA AND STRAITS SETTLEMENTS

**Complete equipment** for a small plant for the manufacture of spinning machinery. Estimate for a complete plant is required and inquirer also wishes to know expense involved

in sending an expert to India to set up and start the work and to remain there probably two years. (360)

**Electro-plating machinery** and apparatus for Singapore. The inquirer desires quotations and data on complete equipment including vats. (361)

#### PERSIA

**Cotton ginning, spinning and weaving machinery** to be operated by hand. Inquirers desire detailed information and quotations. (362)

#### AFRICA

**Wire nails, tin plate, iron and steel bars** in all shapes, galvanized and black sheets; also box calf leather. A firm of commission merchants and importers in Egypt wish to receive quotations. This inquiry has been referred to the N. A. M. by a commercial organization in the United States. (363)

## Britain Shipping Coal Here

Word has been received here of the first chartering of a steamship for the shipment of coal from Tyne or Blyth to a northern Atlantic United States port. The steamer is of 6,000 tons capacity, and the freight will be 8s 6d per ton, with free discharge. Prompt loading is specified. Further engagements are expected.

The importation of British coal on an extensive scale to compete with the American product is foreseen as a result of the announcement.

This would be the first definite information that coal shipments are to be made from England to the United States, although rumors have been current for several weeks that coal cargoes were on the way here.

L. S. Willard, of the Willard-Sutherland Coal Company, said that the best grade of Admiralty Welsh would have to sell at \$8.75 a ton in New York to make a profit. Domestic coal of the same grade, he added, was now bringing about \$7.25, which gives it a decided advantage.

That coal prices here are not high enough to warrant importation at the present time is the opinion of F. L. Burns, of Burns Bros. Coal Company, who believes that it will be at least another month before the price level will be high enough to encourage British competition. In any event, he said, the strike would have to be prolonged considerably before British coal to any extent could be brought in.

Imported bunker coal may soon

make its appearance on the Atlantic seaboard in sufficient quantities to put it on a competitive basis with the domestic product.

Recent quotations, according to a representative of Moore and McCormack, indicate that good Scottish bunkers can be laid down in New York as low as \$6.82, which is against present quotations of \$7.50 for the domestic product alongside ship in New York. The price prevailing, the representative said, was tempting enough to make him consider taking a flyer in the business as a venture promising a reasonable return on the investment.

On the way to New York and Boston at the present time, it was learned in other quarters, are several ships which are bringing back coal in lieu of ballast. As a ballast proposition, however, the steamship men said coal was not a paying proposition and the only way it could be handled was from the full cargo standpoint.

Still another source of information regarding coal declared that importation was impossible now under existing prices. A representative of a leading coal company asserted that his investigations had led him to the conclusion that it would cost at least \$9. to lay British coal down here for ship use, which would be an excess of \$1.50 over Hampton Roads coal in competition.

A shortage of freight, however, for return cargoes and an evidenced keen desire of British coal exporters to

extend their market has led to steamship men viewing the situation with more than usual careful scrutiny, and predictions were made yesterday that coal imports would show an increasing volume. Coal, it was added, is permitted to come in free of duty.

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## SWEDEN AND UNEMPLOYMENT

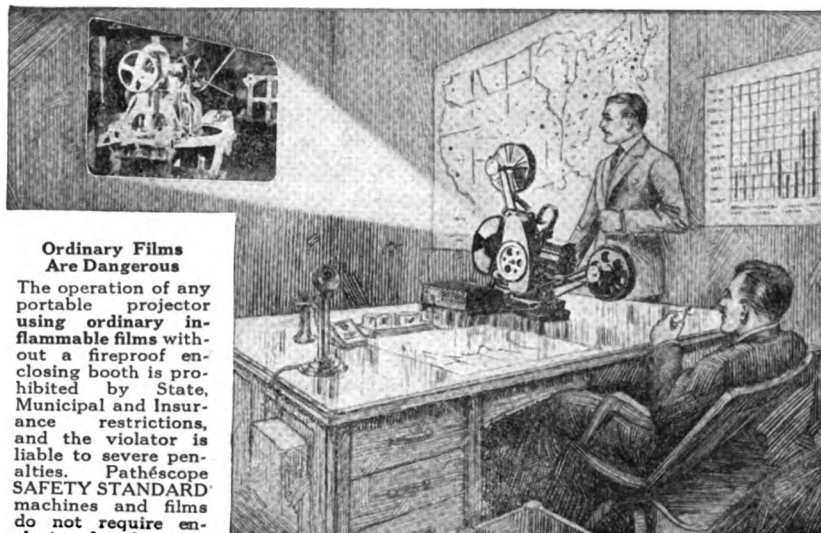
Before long the Swedish unemployed may have a chance to become independent farmers. When they recently expressed the desire to obtain small farms of their own where they might work until old age without being subjected to enforced idleness, their request sounded at first like wishing for the moon.

But not so to the Minister of Agriculture, who immediately ordered an investigation into the possibilities of forming a farm colony in the Province of Soedermanland. If the plan is found feasible the Government may purchase land to be parceled among its unemployed. The project would, of course, involve more than acquiring the land. The Government will have to build cottages on the farms and supply its indigent citizens with live stock, farm implements and living expenses for the first year.

The farm project is one of the most important and interesting of many attempts for relieving the unemployment troubles of the country. Last winter several thousand jobless were given instruction in almost any branch of learning in which they were interested. Large appropriations were set aside for doles and for public works at which the otherwise unemployed would be able to earn a living wage, and it was hoped that conditions would soon become better. Nevertheless, unemployment is still the most serious problem of Sweden despite a very slight decrease in the number of idle.

The jobless still number more than 150,000, of whom about 65,000 receive aid. This number is higher than was expected, and in order to keep within the budget, the Unemployment Commission and the Government have had to cancel during the summer unemployment aid to unmarried men and women, all farm-workers and fishermen. It is believed that these classes can shift for themselves during the summer and pick up enough work to keep them going. Married men with families still draw stipends, while relief work of all kinds is being planned.

The Unemployment Commission is laying plans for extensive forest work in co-operation with the Forestry Board and the State Domains Department. Furthermore, about \$200,000 has been diverted from the unemployment fund for buying paving stones to be placed at the disposal free of cost, of certain towns and highway boards for the improvement of streets and roads, thus affording employment to considerable numbers.



#### Ordinary Films Are Dangerous

The operation of any portable projector using ordinary inflammable films without a fireproof enclosing booth is prohibited by State, Municipal and Insurance restrictions, and the violator is liable to severe penalties. Pathéscope SAFETY STANDARD machines and films do not require enclosing booth.

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Sales, Advertising and Sales Promotion Managers of many of the most progressive concerns in the country are using motion pictures and New Premier Pathéscopes in strong educational work and intensive development of specific sales territories.

The Pathéscope Company recently made for E. A. Stevenson & Co., Boonton, N. J., a motion picture film showing the complete history of the manufacture of "Spread-it" (nut butter), for use among Domestic Science instructors and to give retail dealers first-hand information about the product.

A film made last year by the Pathéscope Company for Kirkman & Son, Brooklyn, N. Y., has already been shown to millions. This company has now in daily operation a large number of New Premier Pathéscopes, and its motion picture activities constitute a very considerable portion of its sales promotion work.

The National Cash Register Company has twenty-eight Pathéscope projectors; the Economist Film Service, for its Department Store clients, has forty-five.

New Premier Pathéscopes have been used with eminent success also by the

American Mutual Liability Insurance Co.  
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General Electric Company  
International Correspondence Schools  
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National Biscuit Company  
United Drug Company  
and many others.

Many of these users selected the Pathéscope only after a careful investigation of, and sometimes unfortunate experiences with, other portable projectors. One Sales Promotion Manager, who tried out various machines by projecting their pictures side by side with those of the Pathéscope, chose the latter as "all around most efficient," adding that "the biggest feature is the 'Safety Standard' film used in the Pathéscope. In many places, it is only because of this feature that we are permitted to show our film."

Only "Safety Standard" film is used in the Pathéscope. It is safe. The Underwriters' Laboratories, Inc., have set their Approval Seal on every "Safety Standard" film and Pathéscope projector. No fireproof booth or licensed operator is required.

Ordinary film is dangerous and should be used only in a fireproof booth and by a licensed operator.

The New Premier Pathéscope can be used by any of your men, any time, anywhere. It is so exquisitely built that its brilliant, flickerless pictures amaze expert critics. It operates on any electric light current, or from a storage battery. It weighs only 23 pounds and can be carried in a small suitcase.

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# Mexico's Second Big Exposition

**T**HE second international exposition to be held in Mexico City will open August 15 and close September 15, 1922.

Mexico has been one of our best markets. Last year we sold there \$221,850,000, which, in dollars, is three times more than during the best year before the revolution.

Conditions in that country point to renewed trade development eagerly expected by our European compet-

gums and the valuable heniquen and other fibres. Animal products include, wool, hides and skins; and forestal resources comprise fine cabinet woods and splendid timber.

As a nearby deposit of prime materials for our industries, Mexico is of great importance to our manufacturers. As a market for our goods, it is of tremendous importance. Its 18,000,000 inhabitants are fairly good consumers of American goods and

Fair became the buying center of the Republic.

Several important American concerns presented their products during last year's exposition and all of them obtained very satisfactory results. A larger number of American exhibitors will attend this year and our industries will present a stronger line of defense against competition which should not exist in a market which for obvious reasons should be only ours.



Booth of the Mexican Department of Industry, Commerce and Labor

itors. Our products are well known and highly appreciated by the Mexican people, but it would be unwise not to keep them before the eyes of the buyers.

Very few countries in the World can boast of containing in their own limits so much wealth and so diversified an amount of products. In the line of mining products there are gold, silver, copper, iron, manganese, marble, onyx and the daily increasing deposits of oil. In the line of agricultural products there are coffee, tobacco, corn, cotton, beans, bananas, rubber, sisal, vanilla, medicinal plants and

shall be better customers if they are shown all their advantages.

Last year the First International Exposition was held in Mexico City. Notwithstanding lack of preparation, scarce mention of it and natural confusion due to inexperience in affairs of such magnitude, the Fair was a success. It drew thousands of merchants from all over Mexico to the capital city, as well as delegations from Central and South American countries. It lasted only 30 days and during that short period, transactions of no less than \$5,000,000 were carried on between exhibitors and visitors. The

The experience obtained during last year's exposition and the efforts of all the Mexican Chambers of Commerce together with the American Chamber of Commerce in Mexico should help make the coming fair a profitable one for American exhibitors.

The exposition will be held in the "Palacio Legislativo," the largest structure in Mexico City, built by the Federal Government at a cost of \$10,000,000.

Applications for space can be filed with the International Commercial Exposition, Ltd., 750 Woolworth Building, New York City.



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## A German's Views of Germany Today

*(From a letter to the National Association of Manufacturers from a German of long experience in Germany's foreign trade.)*

WITH regard to the commercial position at present in Germany, I am sorry to say that since the last fourteen days business has been at a standstill. The cause is difficult to find. Some say the Genoa Conference is the cause; others say that prices have risen in Germany to such an extent that the goods manufactured here are above the world market price, and therefore the industries will, after execution of present orders, receive no new orders, as prices will be far too high to compete with other countries. Of course, goods which are of German origin—that is to say which are produced of German material only—will be still in the market, as some of them have a monopoly over the world and therefore can exact their price. But the real reason of the stagnation seems to be that living in Germany has become so dear that the people are no longer in a position to buy the daily commodities as freely as they could before. The industrial groups have made a mistake in forcing their clients to sell their goods at advanced prices, otherwise they would no more be furnished with goods. The profits so made have given the people the opportunity of spending more freely in the hope that a turn of the tide may come and prices decline. The buying power of such clients has decreased to such an extent that their stores are no longer sufficiently stocked with goods, for the simple reason that they cannot buy with the remaining amount of their capital such quantities as they could before.

Take an optical shop, which had a stock in pre-war times of about 800 prism glasses, which represented at that time a value of, say, 30,000 marks, these 30,000 marks, considering that they have made a profit of 200 per cent, represented 90,000 marks, for which they would have taken for taxes and living another 30,000 marks, so that their purchasing power would only remain at 60,000 marks at which they can buy today only about 60 prism glasses, against the 200 which they could purchase with their pre-war capital of 30,000 marks.

The depreciation of money in Germany has gone so far that merchants who had a pre-war capital of five million marks and now have a capital of not more than 15 or 20 million



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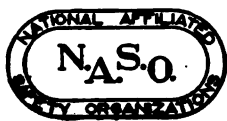
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**Linen Danger Signs**—Various warnings of danger, for attaching to sign boards or partitions.

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The NASO Safety Devices were developed through the co-operation and at the expense of the associations comprising the National Affiliated Safety Organizations—the National Association of Manufacturers, 50 Church Street, New York City; the National Founders' Association, 29 LaSalle Street, Chicago; and the National Metal Trades Association, Peoples Gas Building, Chicago.

The NASO Devices are all sold at practically cost price, but any profits derived from sales are utilized for further research and development work along safety lines.

Information may be obtained from the Secretary of the National Founders' Association.

marks are unable to trade in the same extent as the mark has fallen.

The dollar before the war was worth four marks. Today the dollar calls for 280 marks, or seventy times as much. Therefore a merchant with a pre-war gold capital of 5 millions, should now have a working capital of 350 millions to do the same volume of business. But there were few merchants who were able to follow the depreciation and increase their capital accordingly. Everyone hoped that the mark would not decline so much, but would improve. Therefore most of the merchants have lost half and more of their pre-war gold capital.

Only the workman who receives wages according to the increased cost of living can exist whereas the golden times of the Bourgeois, (Mittelstand) are past. The Bourgeois has to fight for its living. The backbone of Germany has been the Bourgeois. Soon we will have in Germany only workmen and very rich men, as the Bourgeois cannot exist under the prevailing conditions. With such a social position there is a struggle for life and existence between the rich man and the workman.

Germany is a producing country and is in itself a very large power and will and must extend its production, fighting for its existence and to be able to bear the burden of reparation and heavy taxes.

The hope in the Genoa Conference that a clearance of the situation of all countries in Europe will come, is such that faith is expressed that the mark will improve and thereby overcome the stagnation of business of the last fourteen days. Bankers have withdrawn their credits on goods, as they are afraid that the improvement of the mark will be very disastrous to such merchants who hold large stocks, and on the other hand the improvement of the mark will stop the export business. With goods produced under the present rate of exchange (the dollar equaling 280 to 300 marks) export business can be done; but with an improvement of the mark, export business will come to a standstill in Germany.

This is in short the prevailing condition and the uncertain outlook with regard to the future.

I am myself of the opinion that the mark cannot improve so long as the Reichsbank prints monthly milliards of paper which have to come into circulation on account of the daily rise of commodities, freights and so on.

The only way out of the present calamity of Europe is that London again becomes the clearing-house of

## F. Eugene Ackerman

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Mr. Ackerman is prepared to act as an advisor or director of national and international information and publicity campaigns for individuals, corporations and foreign governments. He will specialize in inter-organization magazines for the development of good will and understanding between employers and employees, and in the editing of House Organs for the information of the general public or for the stimulation of sales.

Mr. Ackerman during the past fourteen years has had an extensive experience in the United States and abroad as a journalist, specializing in matters of finance and commerce. As an officer of the United States Naval Reserve he re-organized the inter-allied censorship of Brazil and served as organizer and director of the Bureau of Latin-American Affairs of the Information Committee of the United States Government. He has during the past several years directed the organization of chambers of commerce in this country and abroad and has supervised the information services of corporations, associations and foreign governments.



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Missouri, Kansas City, 312 Elmhurst Bldg.  
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Wash., Tacoma, 502 Provident Bldg.  
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If the trade balance, for instance, showed that Germany had imported 70 per cent more from the United States than vice versa, this 70 per cent would have to be covered out of such drafts for goods which Germany had exported to England, Denmark, France and so on. Introducing such bankers' drafts in the world trade, the internal political condition of a country would not have its present influence on the exchange situation as fluctuations in the exchange would fall off, and the printing of paper money would only affect the country itself, where the money would be marketable amongst its own people.

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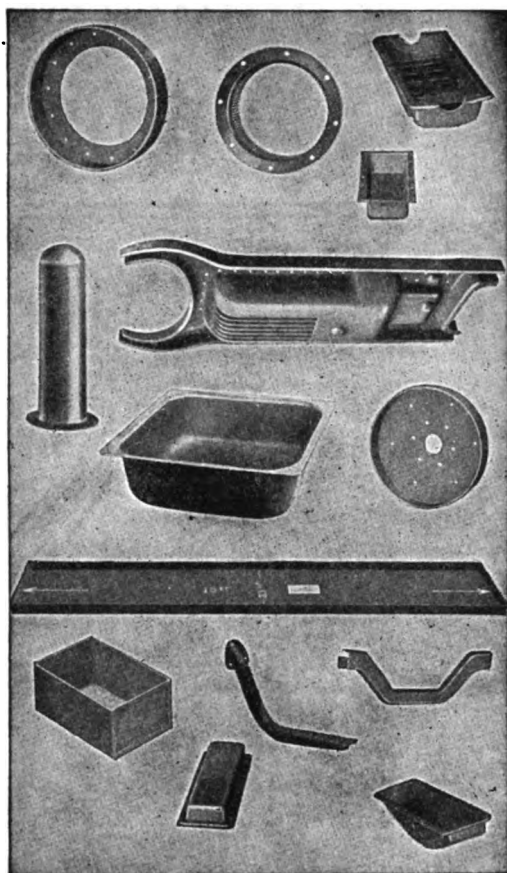
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Warehouses and Representatives in Principal Cities



#### FOREIGN TRADE TOUR

A tour of Europe in which education in foreign trade will be a predominant feature is to be carried out by the American Express Travel Department. The party leaves for Europe by way of Montreal, June 9th, and are scheduled to return to Montreal, August 12th. Systematic instruction in foreign trade will be given during the tour by two educational leaders, Janton De Haas, M.A., Ph.D., Professor of Foreign Trade, Graduate of Business Administration, New York University, and Harry R. Tosdal, Ph.D., Director of Student Research and Assistant Professor of Marketing, Graduate School of Business Administration, Harvard University. The former in-

stitution is granting credits to those students who complete the tour and present a satisfactory paper, and the latter is allowing the tour to take the place of the required three months practical summer work.

#### HOLLAND ON THE SCREEN

Some time ago a well-known motion picture company traversed the length and breadth of Holland for the purpose of gathering a film record of Holland's industrial, commercial, agricultural, educational and scenic points of interest. This film has lately been purchased for the United States by Mr. Edward Bok, President of the Netherlands-America Foundation, who plans to show the picture in the prin-

cipal cities of the United States. The film was recently exhibited in Spain and was pronounced the most complete and most educational film of any nation so far shown the public.

#### EXPORT TRADE SMALLER

Foreign trade registered another decline in exports, with a total of only \$251,000,000, compared to \$279,000,000 in January and \$486,000,000 in February, 1921. This is the lowest value for our export trade for any month since 1915. Imports remained stationary with a total of \$217,000,000.

Foreign exchange quotations improved in February, with the exception of Germany and Japan.

# WATER

## WE-FU-GO AND SCAIFE

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Vol. XXII

JULY, 1922

No. 12

# The Ports Of The Nation—New York

*Comprehensive scheme now under way to completely modernize the entire waterfront of New York and New Jersey, provides for an automatic-electric underground railway system between the states*

*Written especially for AMERICAN INDUSTRIES*

**By N. B. KASTL**

*(Photos copyrighted by Ewing Galloway)*

ONE of the most remarkable and far-reaching engineering feats in harbor development is to be undertaken in the modernization of the Port of New York, which is not only the largest port in the United States but also ranks first in importance. The development of this port along modern lines has occupied the attention of a commission of experts over a period of three years and has resulted in a series of recommendations, which if

carried out will make the great metropolitan harbor one of the most perfectly equipped in the world.

This improvement of the Port of New York is absolutely essential not only to meet the tremendously growing demands of its domestic and foreign commerce, but also to care for the immediate need of a population exceeding eight million persons that is entirely dependent upon the port's distributing facilities for the necessities of life.

The port of New York includes not only the districts of what is known as Greater New York City, but also that part of the coast line of the State of New Jersey which fronts on New York harbor and the Hudson River. Because of its peculiar geographical complexities this port offers a problem that is not paralleled anywhere in the world. In population, the New York district outranks by nearly 200 per cent any other metropolitan district in the



Famous New York apples bound to all parts of the world



western continents. Approximately one-half of the entire foreign commerce of the United States, both in exports and in imports, passes through its gates. Within its confines there are located more manufacturing plants than in the very important manufacturing cities of Philadelphia, Chicago, Cleveland, and St. Louis combined. It is the distributing point for foodstuffs for all of the people living within an area of 50 miles and numbering close on to ten million persons.

The rise and fall of prices in New York affect those of the entire country and, in a measure, of a large part of the world. It is not only the commercial and industrial capital of the United States but it is daily becoming a more and more important financial center for the entire world.

Nearly 100,000,000 bushels of grain are exported from New York every year. In 1914, the last year during which port conditions were normal, 76,000,000 tons of freight moved in or out of the port district by rail, and approximately 45,000,000 tons into, out of, or through the port by water. This latter figure does not include a tonnage, probably much greater, moved locally within the district by water. More than 38,000,000 tons of fuel and ore, mostly coal, entered the district by rail in 1914, either for trans-shipment for use in ships' bunkers or consumption within the district itself. In addition to the vast amounts of grain exported, more than 4,000,000 tons of foodstuffs other than grain and mill products were brought into the port during 1914 by rail, besides a large amount by water.

These figures indicate briefly the magnitude of the trade which passes in and out of the port, under normal conditions. Since 1914, under the abnormal conditions created by the war, there has been a tremendous expansion in the volume of this trade, and it is improbable that there will ever be a return to the so-called normal condition represented by the 1914 figures. In order to understand the difficulties which stand in the way of an adequate distribution of commodities, it is necessary to glance at the physical conditions which have made the port of New York what it is, and which are accountable for the peculiar problems which are met with.

The New York district lies in a region much cut up by waterways. These waterways, while they give a waterfront of nearly 800 miles and offer many of the most valuable advantages of the port, at the same time impose many obstacles to the free movement of freight within the district, since they interfere with easy land transportation. The narrow strip of land which forms the island of Manhattan is sep-

arated from any other land on the south by the expanse of Upper New York Bay. The New Jersey mainland is separated from Manhattan by the Hudson River, a mile wide, and has no connection with it except for three tunnels carrying railroad passengers only. On the East, there is a connection with Long Island by four highway and rapid transit bridges, a railroad bridge and five railroad passenger tunnels. Only at the north is there easy access to the mainland—across the Harlem river. Long Island which at its western end is highly developed industrially and has about 2,500,000 inhabitants has no connection with any other land except with Manhattan Island as already mentioned. Staten Island, in New York Bay to the south of Manhattan and having an area more than twice as great as Manhattan, is also absolutely isolated and is therefore largely undeveloped industrially. The fourth great division of the Port of New York is the New Jersey district in which, because of its physical contour—a succession of ridges and valleys, beginning at the very water's edge and stretching back inland—land transportation is very difficult.

Twelve railroads, exclusive of purely local transit lines, come to the Port of New York. Nine of these enter the port district from New Jersey; the other three enter from New York state. Of the 76,052,000 tons of freight moved into, out of or through the Port District in 1914 by the railroads, 53,359,000 tons were brought in by rail and delivered within the district for local use or removal by water or truck, 9,756,000 tons were dispatched by rail from points in the district and 12,937,000 tons were brought in by one railroad, delivered to another and so carried through the district by rail. Of the 53,359,000 tons of freight mentioned above, 34,345,000 tons were fuel and ore. There were in round numbers 4,000,000 tons each of grain and mill products, of other foodstuffs and of building materials. The remaining 6,747,000 tons were classified as miscellaneous. Nearly all of the fuel and ore tonnage was distributed locally by lighters, but the car float was chiefly used in the handling of miscellaneous freight and foodstuffs other than grain, handling 49 per cent and 42 per cent respectively of the total tonnage of those commodities.

The primary necessity of the Port District is its daily food supply; next in importance is the supply of manufactured necessities such as clothing, furniture and raw materials from which it can produce these and other necessities and luxuries both for its own population and to keep goods moving in the channels of trade. New York,

in order to maintain its position as the greatest port in the United States, and the major clearing house for commodities of all sort, must first of all maintain itself, and then serve the country as a whole.

The most pressing need that has developed in New York in connection with the double problem of self-maintenance and distribution of goods to other districts, has been the question of railroad service to and from Manhattan. Not only do the majority of the railroads entering the New York district have their terminals in New Jersey, but these railroads are the ones which bring in the bulk of food supplies and raw materials from the great food producing regions of the Middle West. Thus Manhattan Island, with its vast population and its concentrated business and industrial interests, must have all its supplies brought to it by ferry or lighter from the freight terminals in New Jersey where they pile up awaiting distribution. Not only does this condition affect Manhattan, but also the industrial districts on Long Island which are even more remote from the distribution points of New Jersey. The conditions operate to a lesser degree, however, for the Long Island districts, since freight can be lightered directly from New Jersey and the cars can be unloaded near the industrial plants. Manhattan, devoted as it is to business and to residential purposes, and suffering from the greatest congestion, has no room within its borders for any commodities except those for immediate use.

This, in brief, is the port problem which has confronted New York, and the commission which was appointed to consider it had to devise means of solution which should hold good for a period of years as well as for the present and the immediate future. They plan to release the Hudson River waterfront from pier-station occupancy; afford some relief to the New Jersey waterfront, which is now largely taken up with the railroad terminals; dispose of some of the surface railroad tracks along the west side of Manhattan, which now take up valuable space and detract from the appearance of the riverfront; provide ample capacity for the future and effect a large saving in terminal costs.

The essential elements of the system include a belt line railroad in New Jersey which will connect with the tunnel railways to be constructed under the Hudson River from New Jersey directly into the great receiving warehouses in the Manhattan section of New York City. The belt line railroad will be constructed so that it will touch all of the great trunk line railroads, having their termini in New Jer-

sey, particularly the termini of those which are now at pier stations from where their freight is transferred onto lighters to be taken across the river into New York.

The belt line railroad will be continued through the tunnels under the Hudson River, carrying from New Jersey into New York City the vast quantities of raw and manufactured materials which are essential to the life of the city and bringing from New York to the trunk line railroad the output of the greatest manufacturing city of the United States. One remarkable feature of the underwater section of the belt line railroad will be that the trains will operate automatically both from the New Jersey and New York sides of the river. The trains through the tunnel will be routed from New Jersey to various multiple-story terminal buildings which will be equipped with car elevators that will carry the trains as they arrive to different floors, each floor being the receiving station for a certain designated zone of the city.

Inbound freight will be transferred at the joint transfer station to trailer trucks, which will be borne by the electrically operated cars, mainly in eight-car trains, to the Manhattan stations. The trains will be dispatched as nearly as possible at uniform rates of speed not exceeding 14 miles per hour, making it safe to move the trains at short intervals. At the stations the cars will be raised to the surface one at a time and their loads exchanged for trailers bearing outbound freight, after which they will be dispatched in eight-car trains to the transfer station and unloaded into standard freight cars. The electric cars will move around the loop on either track in one direction only, each loop thus forming an independent

line. An important economic feature of this system is its automatic operation, as it is intended that the electric trains shall be run between the joint railroad yards and the terminal stations in Manhattan without operators, the trains being electrically controlled by the train dispatcher and his assistants on the line. The automatic-electric system will for the present at least be applied only to the freight transfer between New Jersey and lower Man-

hattan. When the system is put into operation it is expected that freight will be handled in the following manner:

"A consignment of freight for one of the Manhattan terminals, coming in a train with freight for other parts of the Port District, will enter the existing break-up yard of the railroad company. Here the standard railroad cars will be classified as at present, and the car containing this shipment together with others containing other freight

for Manhattan will be delivered to the public or private company operating the terminal system at the intersection of its belt line with the railroad company's line. The standard railroad cars will be hauled to the joint yard and placed in a receiving yard, whence they will be switched to tracks alongside the inbound ends of long transfer platforms.

"Each of these platforms, twenty-four in number, will have a standard equipment track on one side and an automatic-electric track on the other side. The freight will be unloaded from the standard railroad car upon trailers about 3x6 ft., and the trailers will then be hauled by tractors or by hand along the platform and placed upon one of the automatic-electric cars, which will hold twelve trailers. The standard railroad car will be push-

ed along the platform to the outbound end and released with outgoing freight from other trucks, whence it will pass into an advance yard and be dispatched to the railroad from which it came, or to any other railroad to which it is to be delivered.

"The consignment of freight will meanwhile have been loaded upon one of the special electric cars—a car somewhat larger than the ordinary box car, with a roof to protect its contents, but roll sides to permit trailer trucks to be



Part of the waterfront skyline

hattan, as the other parts of the Port have direct rail connections which serve their needs. Manhattan is in absolute need of such a system in order to release its waterfront now in railroad use and in order to reduce the cost of handling its large volume of merchandise freight. The principle of the automatic electric system is applicable throughout the Port, wherever the congestion and volume of package freight reaches sufficient proportions to require an auxiliary to the direct rail service.

wheeled upon it at any point.

"This car, controlled from alongside by a switch on the car within reach of an operator on the transfer platform or on the ground, will move from the platform at a low rate of speed (from 2.2 to 6.6 miles per hour) and be switched to a track assigned to the particular terminal to which the freight is destined, freight for only one terminal having been placed on the car. When sufficient automatic-electric cars have been accumulated, eight will be coupled together and dispatched in a train. This train, with no other manual direction than the throwing of the track switch, will be accelerated to a speed of 1,200 ft. per min. (13.2 miles per hour) and take its place at not less than an established distance behind another train probably destined for a different terminal. The train will bear a distinctly visible indication of its destination, and when it reaches the entrance of its terminal an operator will throw a switch and divert it to a siding, where brakes will automatically be applied and it will come to a stop.

"From this siding the automatic-electric cars will be run singly at slow speed upon an elevator. The elevator will raise the cars one at a time to an inbound platform at the street level and the cars will be run off under their own power. This platform will be the length of several cars, and each car will remain alongside the platform a minimum of twelve minutes, affording ample time for the wheeling off of the trailer trucks and the wheeling on of the empty trucks. The consignment will be placed on the platform to be called for, as at the ordinary freight house, or removed to storage if the consignee fails to call for it within the free time limit.

"The automatic-electric cars, having discharged their loads and received empty trailers, will be advanced one by one to a second elevator, which will lower them one floor to the outbound platform at the basement level. Here, the cars, after having again at least twelve minutes in which to unload their empty trailers and receive loaded trailers with outbound freight, each car receiving freight for a single railroad, will proceed back to the original ele-

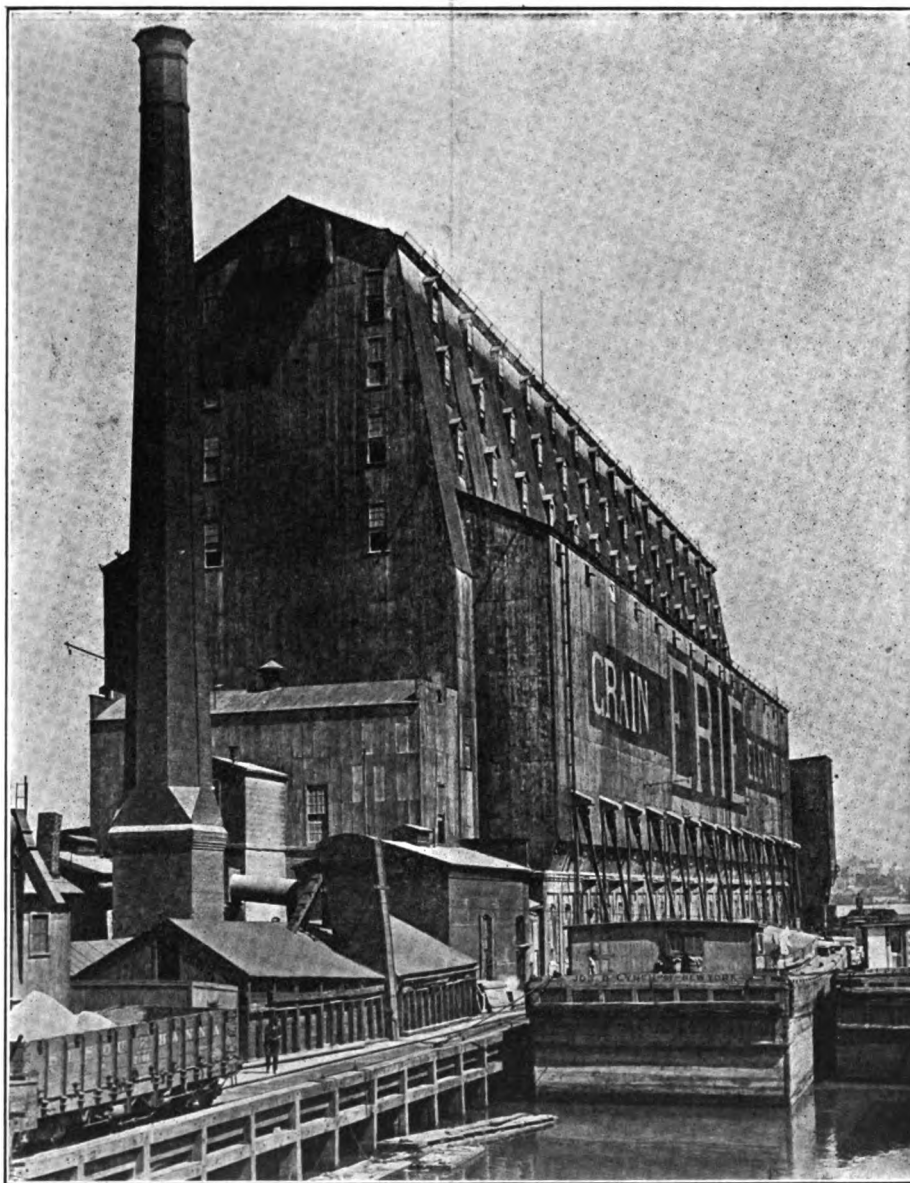
enter the mainline system.

"Arriving at the joint yard, the train will be switched to one of the trucks of a receiving yard, where it will be brought to a stop automatically as before. Here the automatic-electric cars will be cut off one at a time, and started by an operator walking alongside, the cars moving at a speed of 2.2 miles per hour. They will proceed over a series of switches and crossovers, controlled from a central tower, by which they will be diverted to the proper tracks at the transfer station.

"The cars will be stopped at the outbound ends of the transfer platforms. The loaded trailers will be removed and transferred to standard freight cars, other trailers previously emptied will be hauled by tractors along the platform to the inbound end of the platforms, the empty automatic-electric cars will be advanced to the inbound section of the transfer station to receive new loads, and the cycle will have been completed.

"An important feature of the automatic-electric system is the contemplated trailing dead section of the track, which will make it impossible for one train to come closer than a certain safe distance from the train preceding."

To supplement the operation of the automatic-electric system, which serves Manhattan primarily, it is planned to build a series of belt lines extending throughout the port district. There will be three classes of belt lines, designated for convenience as inner, middle and outer belt lines, all coordinated into a flexible whole. The inner belt lines are along the waterfront and are intended to serve the steamship terminals and industries along their routes. The so-called middle belt lines will af-



One of the grain elevators on the Jersey side

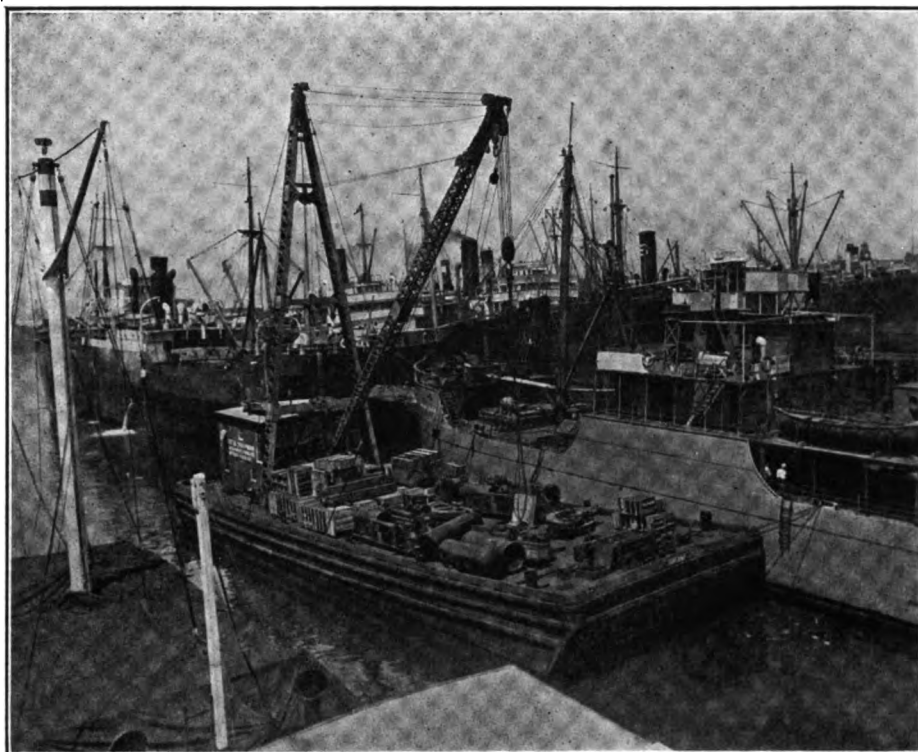
vator shaft. The cars will then be run upon the first elevator and be lowered to the track level, this elevator having meanwhile made several trips and brought other cars to the inbound level.

"Running off the elevator at the side-track level, the automatic-electric cars will be held until eight have accumulated, when they will be coupled and dispatched as a train by exactly the same process as from the New Jersey yard, an interlocking signal system controlling the time when the train shall

ford a means for a direct interchange of cars between railroads and a thoroughfare for all the railroads of the port to and from the joint car-float and joint lighterage stations which are included in the plan. The outer belt lines, which in the beginning will be needed for New Jersey only, will serve as a by-pass around the congestion nearer the waterfront for all freight that need not pass through the break-up yards and as an auxiliary to the middle belt line, the capacity of which bids fair to be taxed by the increased traffic of the next few years. The combination of the automatic-electric and belt line systems will relieve the harbor of much of its car-float movement and doubtless some of the lighterage.

The Hudson River waterfront in lower Manhattan which is the crux of the entire port situation and to serve which is the immediate purpose of the port plan, will be given special attention with a view to increasing its facilities to insure the smooth working out of the plan. Most of the existing piers will be replaced with piers, shorter in length but wider, doubledecker and extending in all cases to the pierhead line, and with wider slips. Along the marginal way which will be built along the waterfront to form a continuous roadway connecting the terminals of the automatic-electric system, there will be a series of multiple-story warehouses. There will be freight driveways at both pier-deck levels with adequate ramps leading to the upper level. With the abundant pier floor space, adequate warehouse facilities immediately at hand and sufficient mechanical appliances, the proper function of the piers as transit sheds for the quick discharging and loading of ships will be restored. By handling outbound cargo at the street level and inbound cargo at the upper level, drays in the two classes of service can be separated and congestion practically eliminated.

Other sections of the port than Manhattan will be developed as the need arises, and much thought has been given to future plans in this connection. The various channels through which most of the harbor traffic is carried will be deepened and improvements in the bridges which span several of the rivers in the New Jersey section of the port will be made. It is planned to make the enlarged New York Barge Canal, which has now been in operation for three years, and which has as yet not reached anywhere near its full capacity because of the incomplete state of sections of the canal and terminals, and the shortage of barge equipment, an integral and important part of the port scheme. Freight handling machinery of the most modern variety will be installed wherever necessary. New



In the Erie Basin, on the Brooklyn side

York has been criticized as being extremely deficient in such equipment, but according to the Commission, it has not been so much the lack of mechanical devices as other port conditions which have slowed up the handling of freight.

It has been recommended also that a zoning system for steamship routes be established, so that all the ships plying certain trade routes will dock in a given section of the port. For example, all the South American lines would be situated in one district, all the European lines in another, etc. This arrangement would facilitate the movement of freight and simplify the handling of commodities on the piers, since in general the character of the freight sent to a given trade region is the same.

The résumé which has been given of the port problem of New York and the plan for its solution has of necessity been superficial. Perhaps the best idea of the salient points of the plan can be gained from the following summary as given by the Commission which drew up the plan:

1. Adoption of a compact between the States of New York and New Jersey providing for

(a) Creation of a single Port District;

(b) Administration by a single Port Authority.

2. Construction of the automatic-electric system with many joint terminal stations in Manhattan for the distribution and collection of general merchandise freight and food products.

3. Development of a standard belt-line railroad system for all parts of the Port except Manhattan, embracing

(a) Inner or waterfront belt lines in New York and New Jersey;

(b) Middle belt lines in New York and New Jersey;

(c) An outer belt line in New Jersey.

4. Consolidation of railroad marine operations not eliminated by the automatic-electric and extended rail service, with separate joint railhead terminals for

(a) Car-float service;

(b) Lighterage.

Recommendations Nos. 2, 3 and 4 make up the comprehensive physical plan, the improved railroad-terminal system which will be the backbone of a rational port development, and the formal adoption of which in conjunction with the compact the Commission urges upon the Legislatures. The economic sequence of construction should be determined by the Port Authority.

In furtherance of that rational development, though not as a part of the official plan, the Commission recommends the following:

5. Construction of food receiving stations and inauguration of a system of inspection and certification at the railroad joint yards, which would make possible the creation of terminal markets around stations of the automatic-electric system in Manhattan and the Bronx.

6. Reorganization with wider piers and slips and more warehouse facilities

(Continued on page 39)



# Delay In Ratifying Arms Treaties

*China the only power, outside of the United States, to take action although seven months have passed since the powers had their conference; much of the blame is put on France for her attitude*

WHILE American officials are careful to abstain from censure or criticism of the other Powers for their failure to take action on the series of treaties framed in the Washington conference, they are more and more coming to look on the delay with disapproval, akin to apprehension.

Seven months have gone by since the treaties were formulated, and outside of America, only one of the Powers—China—has ratified them. England took the initial step in ratification when the naval treaty was submitted for action just recently. Secretary of State Hughes, and, doubtless, President Harding, would like to see all the Powers parties to the treaties take immediate steps to make them an actuality.

While the State Department was at no time gravely alarmed over the prospect of the treaties being eventually ratified, it did not look for anything like the delays that for one reason or another they have been subjected to.

It has been felt all along here that the attitude of France and the disposition of the Poincare government to mark time on the treaties constituted the principal obstacle to ratification by the other Powers. In the face of intimations that France would adopt a drastic reservation to the naval treaty, it was taken for granted that the other nations, notably England and Italy, would mark time pending the evolution of French policy.

What France has done is exactly the thing that the United States desired most to avoid. The French Government, it is felt, has made the treaties part and parcel of the European situation. That is what President Harding and Secretary Hughes desired most of all to avoid. It was with this in mind that this Government at the time of the conference abstained from the discussion of land armaments and was content to enter world affairs through the back door of the Pacific. France knows the importance that the United States attaches to the treaties, and there is evident now in Washington a strong undercurrent of feeling among officials that there is more than a disposition to use them as a pawn in the European political-economic tangle.

Premier Poincare at no time made a public statement on the treaties. In

reply to inquiries from the United States and other governments, however, he has intimated that it would not be possible to get them through the Chamber of Deputies without a strong reservation to the naval treaty.

American officials do not take the threat of a French reservation very seriously. The view that they really take is that the French politicians are not primarily thinking of amending the naval treaty, if at all, and that what they are really doing is withholding action on it, in the belief that it constitutes a useful lever with which to compel attention to the demands of French policy in Europe.

The reports that have reached the Department of State with respect to the attitude of Japan toward the treaties were said officially to be at all times encouraging. It is known, however, that it was not all plain sailing for the treaties in Tokio, any more than it is now in Paris. Things were going on behind the scenes, and the things that were going on, it is inferred did have a bearing on the recent elevation of Admiral Baron Kato to the Premiership. His elevation and the fact that he holds himself responsible for the ratification of the treaties

has, to say the least, strengthened the assurance of this Government that all is well as far as Japan is concerned.

Unless Premier Poincare takes steps to submit the treaties to the Chamber of Deputies in the near future some action by the American Government is to be expected. Secretary Hughes did not hesitate to warn the French Premier when the recalcitrant attitude of the French on the naval program threatened to disrupt the conference. One thing is certain, and that is that he will not permit procrastination to make the treaties a dead letter indefinitely. France has been looking for this aid ever since the signing of the Treaty of Versailles. American representations on the treaties may well, it is inferred, take the form of a warning not only to France but to the other powers, including England and Italy, that the prospect of American participation in saving Europe from insolvency is not heightened by the continued delays on the Washington treaties. Such a warning and a service of notice that American good will is at stake are weapons still left in the armory of this Government, and they are expected to be used if the delay continues much further.

## Selden Motor Merger

THE Selden Motor Truck Corporation has announced the merger of that corporation with other truck corporations in forming the Industrial Motors Corporation under the laws of Delaware. The new corporation is announced as a holding corporation, with an authorized capital of 1,000,000 shares of no par value, all of one class. The purpose is announced as "to acquire and hold the stocks, securities and properties of motor vehicle and accessory manufacturing and selling corporations and to manufacture and sell motor vehicles and accessories." The Selden Corporation, Rochester, and the Atlas Truck Corporation, of York, Pa., are the first two units in the corporation. The addition of other motor truck interests soon is forecast.

John J. Watson, Jr., president of the Lee Tire & Rubber Corporation, of New York, is president and a director. Other directors are Frederick M.

Small, president of the Martin-Parry Corporation; Reeve Schley, vice-president of the Chase National Bank; George C. Gordon, president of the Selden Truck Corporation; Robert H. Salmons, vice-president of the Selden Corporation; William A. Phillips, New York; George P. Smith, of Smith & Gallatin; Oscar L. Gubelman, of Knauth, Nachod & Kuhne; Henry Hopkins, Jr., of Travis, Spence & Hopkins.

### FORM HARDWOOD INSTITUTE

The Hardwood Manufacturers' Institute, composed exclusively of hardwood manufacturers, was formed in Louisville, at the convention of representatives of hardwood manufacturing interests of the United States, with unanimous approval by the convention of the constitution and by-laws submitted by the organization's committee.



# President Harding And Our Ships

*Demands immediate action to assist the Merchant Marine and the revised bill is now ready, changed in hundreds of places but fundamentally the same as sponsored by the U. S. Shipping Board*

Written especially for AMERICAN INDUSTRIES

By CHARLES H. WINTER

**P**RESIDENT HARDING wants a Merchant Marine worthy of the standing of the United States in the world of business to-day. He wants immediate action that will assure this country that it will have a Merchant Marine. He has just told Congress that it must take up the ship subsidy bill at this session; and he has sent a pretty strong intimation that if no action is had before adjournment (in keeping with pre-election promises for the development of the Merchant Marine), that he will call an extraordinary session to take up the matter.

President Harding has been a strong advocate of better shipping for this country. He believes that our foreign trade is certainly bound to develop to a prosperous condition that it has never reached before; he realizes that without a merchant marine, a nation is helpless in the world race for trade. During the war, the United States was compelled to build, at exorbitant costs, and without much regard for commercial serviceability, the great number of ships which the people now own. The legislation before Congress has in contemplation making use of these ships to the best possible advantage. President Harding knows, as every shipping man in the country knows, that a Merchant Marine cannot be built up without encouragement from the government, whether that encouragement be in the nature of a cash subsidy, bounty, bonus or other consideration that will induce practical business men to enter this hazardous business. Every other country that has made a success of its merchant marine has provided subsidies, like Great Britain, Germany, France, Italy and Japan, the latter of which is now making such unusual appeals for the trade fields of the world. Some years ago, when an American concern threatened to gain dominance of the Atlantic Ocean by purchasing ships and operating them even under foreign flags, Great Britain practically gave to one of her great lines the *Lusitania* and the *Mauretania*, so that the nation would still hold her own. Again she appropriated \$50,000,000 to enable her coal exporters to drive American coal out of

the West Indian markets.

Contrary to the declarations of the American Federation of Labor, which has just taken action condemning the ship subsidy bill, shipbuilders say that the passage of the measure will mean the employment of thousands of men and that business will immediately be stimulated. The uncertainty surrounding the whole situation has been detrimental to shipping, to business in general and to foreign trade in particular. For the last few months shipowners, operators and conference lines have all taken up the ship subsidy matter and believe it the best panacea for the marine ills of to-day. Action on the measure one way or the other will clear the air.

President Harding believes the revised ship subsidy bill offers the best means of giving the Merchant Marine its start. He is looking for definite, encouraging action, not for an opportunity to saddle on the country a great cash appropriation which must become an annual habit. It is believed the present arrangement will enable the ships to begin moving and that subsequent appropriations will be cut to the minimum.

In his letter to Congress, to Chairman Campbell of the Rules Committee, President Harding said:

"I understand that in a very short time the merchant marine bill is to be favorably reported to the House. I am writing to express the hope that your Committee on Rules will report whatever provision is necessary for its early and final consideration. I cannot convey to you how very earnestly I feel the necessity of passing this act.

"So much is involved and such a difficult and discouraging situation will follow if Congress fails to sanction the merchant marine bill, that I should feel myself obligated to call Congress immediately in extraordinary session to especially consider it if it went over through any neglect or delay beyond the present term.

"I should be more than glad to cooperate in any way that I can in impressing the House with the urgent necessity of the favorable consideration of this bill. I am writing an expres-

sion of my earnestness to you at this time because I understand it is within the province of the Rules Committee to report a provision under which there may be secured early, and I hope favorable, consideration."

Thus ship subsidy legislation becomes the dominant feature before Congress. The bill has been revised and is now in the process of being re-introduced in the House, referred to the Committee on Merchant Marine and Fisheries, considered by the full membership, reported to the House and then placed upon the calendar for consideration; then to go to the Senate. There is some question as to when this can be brought about but it is firmly believed that it will be taken up about the first week in July.

The revised bill is fundamentally the same as that sponsored by the Shipping Board, although it has been amended literally in hundreds of places. The outstanding changes are:

1. The immigration section requiring 50 per cent of all immigrants to book passage on American ships has been rewritten and authority given to the President to negotiate amendments to treaties.
2. Fifty per cent of the unlicensed personnel manning American ships must be American citizens.
3. Power vessels under 1,500 tons and sailing ships under 1,000 tons are not required to pay the doubled tonnage taxes.
4. Special compensation for ships starts at 12 knots instead of 13.
5. The Shipping Board, five commissioners concurring, has the right to increase or decrease the basic rate of subsidy.
6. Section 28 of the Merchant Marine Act is amended to make possible the immediate enforcement.

From unofficial sources it was reported that the industrial ships will be paid a flat subsidy, and shippers consigning freight to these ships will not receive the 5 per cent income tax deduction. It is said that the feature requiring the industrial ships to offer one-third of their space as common carriers has been eliminated.

Following is the text of a statement

outlining the changes in the bill as given by Representative George W. Edmonds, ranking member of the Marine Committee:

"I am naturally proud of the work of my sub-committee. The bill, together with the Shipping Bill, 1916, and the Merchant Marine Act, 1920, will make a record of constructive legislation upon a comparatively new subject to the present generation of Americans which any legislative body could well point to with pride. This bill has required the best that can be collected from the brains of men in many callings, and, collectively, if passed by Congress, will mean that 50 to 60 per cent of our foreign commerce will be again traveling the seas under the American flag. I say collectively, because each section of the proposed bill is interwoven with the other, each having its own particular aid to give, and particular performance to bring into action.

"As a whole it is like a house of stone and while made up of many blocks, joined together by proper cement, the completed structure will give the required result. The bill as compared with the bill introduced February 28, contains the following important changes:

"The section in regard to the sale of the vessels has been amended so as to read: 'Public or private competitive sale'; also interest on unpaid purchase price has been increased to 4 per cent from 2 per cent.

"Also the following has been added: 'The payments of principal shall be so arranged that the amounts due or paid under the contract of sale as principal up to any moment of time shall be sufficient to cover depreciation of the vessel up to such amount.'

"New Section 2 provides that in selling the vessels the board should be careful to encourage present lines, particularly those operated by residents of particular communities, so that they may arrange to purchase the ships. It further prohibits the board from selling such vessels to persons outside of the domestic communities for a period of two years, so as to give them every opportunity to consummate their purchase.

"Monopoly of ships or ports is declared against the policy of the Congress.

"There has been virtually no change in the construction fund excepting that it has been made explicit that this is a revolving fund; the amount remains at \$125,000,000 and the interest not less than 2 per cent. The taxation features in the new bill remain virtually the same; the construction tax deductions are the same as in the Merchant Marine Act of 1920. Only the administrative

features have been made more explicit, so that there can be no question of doubt of their operating successfully.

"The depreciation feature of the taxation provision of the bill has been explicitly stated so that the depreciation arising out of war conditions can be spread over five years. This will assist in helping out the extraordinary losses in shipping property.

"The section containing the 5 per cent deduction for shippers on freight paid in American vessels and applicable to their income taxes remain in the bill, the provisions being fully written out in the bill. The doubling of the tonnage taxes as provided in the bill are retained in the new bill, excepting that they are not doubled upon power vessels of under 1,500 tons, or sailing vessels of under 1,000 tons, it being contended that these vessels being not subject to compensation should not have the extra tonnage tax to pay.

"Owing to treaty obligations there has been a new immigration section placed in the bill. It read as follows:

"Section 301, as nearly as practicable one-half of the total number of immigrants, admitted to the United States in any fiscal year, shall be transported in vessels registered, or enrolled and licensed, under the laws of the United States.

"Section 302, the Commissioner-General of Immigration with the approval of the Secretary of Labor shall make regulations necessary for the enforcement of Section 301. All such regulations, in so far as they relate to the administration of such section by diplomatic or consular officers of the United States shall be subject to approval of the Secretary of State.

"Section 303—Section 301 shall not take effect as to immigrants transported in a vessel documented under the laws of any foreign country until a time fixed by proclamation of the President. The President is authorized and directed, whenever in his opinion the provisions of this title or of regulations made thereunder, are or may be in conflict with treaties or conventions with a foreign country, to take such steps as may, in his opinion, be necessary to remove such conflict.

"Whenever, in his opinion, no such conflict exists in the case of any country he shall so proclaim, and the provisions of this title and regulations made thereunder shall take effect in the case if immigrants transported in vessels documented under the laws of such country at the time specified in his proclamation therefor.

"Section 304—The term 'U. S.' as used in this title in a geographical sense means the several States, the territories

of Alaska and Hawaii, the District of Columbia, Porto Rico, and the Virgin Islands.

"There has been no change in the sources of the fund for compensation.

"1. All tonnage taxes and light money.

"2. Ten per cent of the customs duties.

"3. Compensation for first, second and third class mails.

"4. Any amounts returned by the limitation of profits clause.

"The provisions of the contract to be made are fully set forth in the bill, and there has been no change in the basic compensation excepting the special compensation commences at 12 knots instead of 13 knots as in the original bill.

"All definitions in this section have been carefully worked out so as to cover the contingencies that arise in a business of varied character. The compensation limitation as to size of power driven vessels remains the same—1,500 tons—but compensation is paid to sailing vessels of over 1,000 tons.

"Rating must be made by the American Bureau of Shipping, and a new paragraph has been added requiring half of the crew in both deck and engine departments to be citizens of the United States.

"Vessels built in a foreign country before the passage of this act and essential to the development of an American merchant marine can be transferred to our registry upon agreement by five members of the board and receive compensation. This privilege is limited to three years from the passage of the act and is intended to admit only those vessels necessary to round out the merchant fleet, and in cases which require expeditious action.

"Contracts for compensation are limited to ten years, and foreign trade is particularly defined in the new bill. It is required that after three years 75 per cent of any owner's tonnage must be American-owned and registered under the laws of the United States. This covers affiliated concerns and such concerns are closely described.

"The board has the power upon vote of five members to increase or decrease the compensation when it is found advisable by the circumstances of the case. Any vessel which has received compensation may be requisitioned in time of war or national emergency, the vessel so requisitioned or chartered shall receive a fair value for the purchase or service with no enhancement in value by the causes necessitating the taking, the owner shall under no circumstances receive

consequential damage arising out of such taking or use.

"Repairs unless necessary for the safety of the vessel, shall be made in the United States or its territories including the Canal Zone, the exception in this section applies to feeder vessels, which do not travel between United States ports.

"The carriage of the first, second and third class mails is provided for, the Post Office Department still making the contract directly with the vessels for the carriage of the parcel post. No change is made in the regulations; everything is carried on by the Post Office Department as at present excepting that the compensation for its carriage is paid into the merchant marine fund when the carriage is done by vessels receiving compensation from that fund.

"When a vessel receiving compensation is sold its contract for the same is closed unless a new contract is made by the purchaser, with the exception that the purchaser must purchase the vessel subject to the right of the United States to take or use such vessel in emergency for the full

term of the contract.

"The limitation of compensation is entered into fully in the new bill and every endeavor has been made to protect the Government from the many complications which arise from the many and various business situations that arise from the ramifications to be found in the shipping business.

"The use of the Army and Navy transports necessary to build up the overseas shipping is continued in this bill as in the original bill, as is also the requirement that Government officials use American ships whenever possible.

"It is endeavored in the bill to bring about an understanding between the Interstate Commerce Commission and the United States Shipping Board by arranging for a joint committee to clarify the situation in regard to through freight so that something approaching the correlation between rail and water carriers in foreign countries can be covered in this country by our connecting rail and water lines.

"The bill also clarifies the Interstate Commerce Act by describing under what conditions a railroad can be-

come interested in vessels.

"It also arranges to enlarge the powers given the board by the Shipping Act of 1916 in Section 15 so that a thorough record of agreements between shipping companies, or between shipping companies and other carriers, shall be subject to the approval of the board. This covers all common carriers by water and includes the coastwise business. This section is subject to a heavy penalty for violation.

"In order to make Section 28 of the Merchant Marine Act, 1920, operative the bill has clarified the section, and it is believed that all delay in placing this section in operation should now be eliminated. As this gives preferential railroad rates to American vessels it will go a long way in assisting in securing cargo both of imports and exports for our ships.

"It is provided in the amendment to Section 28 that the Shipping Board and the Interstate Commerce Commission have the power jointly to suspend the application of the provisions of this section when in their judgment it would operate to the prejudice of any particular port."

# Income Taxes Drop \$195,000,000

*Preliminary statistics show that the net incomes reported have increased by nearly \$4,000,000,000 but the actual receipts have fallen somewhat below those of recent previous collections*

**N**ET incomes of individuals reported to the Government during 1920 increased by nearly \$4,000,000,000 and the number of returns by nearly 2,000,000 over 1919, while the taxes received fell off by about \$195,000,000, according to preliminary statistics issued by Internal Revenue Commissioner Blair.

Returns for incomes between \$1,000 and \$2,000 increased by more than 700,000 in 1920 as compared with 1919, while those for the larger classes of incomes dropped heavily, returns for incomes of \$1,000,000 and over falling from sixty-five in 1919 to thirty-three in 1920.

The average net income on returns for 1920 was \$3,269.40, the average amount of tax \$148.08 and the average tax rate 4.53 per cent, while as relating to the entire population of the country, subject to the Federal income tax, the proportion filing returns was 6.85 per cent, the per capita net income reported was \$223.87 and

the per capita income tax was \$10.14.

Official figures show that New York State, largely because of the financial preponderance of New York City, not only paid by far the largest share of income and other Federal taxes in the calendar year 1920, but paid the greatest per capita tax and the second largest average amount on individual tax returns.

For the calendar year 1920 there were 7,259,944 personal income tax returns filed representing a total net income of \$23,735,629,183 and yielding a total tax of \$1,075,053,686, as compared with 5,332,760 returns for a total income of \$19,859,491,448 and a tax yield of \$1,269,630,104 in 1919.

There were 2,671,950 personal returns filed in 1920, against 1,924,872, in 1919 for incomes from \$1,000 to \$2,000, from \$2,000 to \$3,000 there were 2,569,316 returns in 1920, against 1,569,741 in 1919; from \$3,000 to \$5,000 there were 1,337,116, against 1,180,488; from \$5,000 to \$10,000,

455,442, against 438,851; from \$10,000 to \$25,000, 171,830, against 162,485; from \$25,000 to \$50,000, 38,548, against 37,477; from \$50,000 to \$100,000, 12,093, against 13,320; from \$100,000 to \$150,000, 2,191, against 2,983; from \$150,000 to \$300,000, 1,063, against 1,864; from \$300,000 to \$500,000, 239, against 425, and from \$500,000 to \$1,000,000, 123, against 189.

New York led the States in the number of returns filed, the amount of income reported and in tax yield, while Pennsylvania was second and Illinois third.

Income reported by the various States for 1920 was as follows:

Alabama .....	\$156,604,938
Alaska .....	19,400,775
Arizona .....	67,280,486
Arkansas .....	118,060,710
California .....	1,329,006,594
Colorado .....	219,277,184
Connecticut .....	451,737,702

Delaware .....	55,633,321	New York .....	4,030,623,696	\$14,988,746,394; wives making separate returns from their husbands numbered 77,558 for a total income of \$534,840,405; men, heads of families, filed 474,574 returns for \$1,384,463,654; women, heads of families, 132,181 returns for \$388,364,530; all other men 2,256,565 returns for \$4,886,603,493; all other women 503,690 returns for \$1,264,955,727, and 40,115 returns for community property income of \$287,654,980.
District Columbia ....	208,388,174	North Carolina .....	163,799,837	Of the total net income of \$23,735,629,183 reported, personal exemptions totaled \$12,834,684,529, dividends \$2,735,845,795, and interest on Government obligations not wholly exempt from tax \$61,549,572, leaving a net income subject to normal tax of \$8,103,549,287.
Florida .....	141,105,124	North Dakota .....	66,188,434	Of the total tax yield of \$1,075,053,686 the normal tax amounted to \$478,249,919, against \$468,104,801 in 1919, and the surtax to \$596,803,767, against \$801,525,303 in 1919.
Georgia .....	228,619,716	Ohio .....	1,407,388,003	
Hawaii .....	55,572,896	Oklahoma .....	295,790,791	
Idaho .....	67,391,639	Oregon .....	193,652,281	
Illinois .....	1,836,956,942	Pennsylvania .....	2,212,178,029	
Indiana .....	556,061,991	Rhode Island .....	180,306,990	
Iowa .....	631,560,789	South Carolina .....	109,246,657	
Kansas .....	306,413,429	South Dakota .....	103,578,036	
Kentucky .....	243,879,230	Tennessee .....	212,600,103	
Louisiana .....	237,109,145	Texas .....	720,720,162	
Maine .....	143,455,545	Utah .....	82,278,389	
Maryland .....	482,195,448	Vermont .....	59,303,302	
Massachusetts .....	1,368,406,548	Virginia .....	273,233,229	
Michigan .....	895,679,238	Washington .....	375,979,898	
Minnesota .....	453,212,241	West Virginia .....	287,729,460	
Mississippi .....	83,954,352	Wisconsin .....	436,436,810	
Missouri .....	548,130,178	Wyoming .....	63,244,529	
Montana .....	109,348,194			
Nebraska .....	306,362,706			
Nevada .....	25,337,934			
New Hampshire .....	100,431,539			
New Jersey .....	977,853,627			
New Mexico .....	36,926,120			

Of the total net income reported for 1920 there were 3,775,261 joint returns of husbands and wives and separate returns of wives living with their husbands for a total income of

## Government's Idea Of Boston Port

THE Board of Engineers for Rivers and Harbors in cooperation with the Bureau of Research of the Shipping Board has published a report on the port of Boston, which is probably the most complete study ever made of any American port.

The purpose in view in the preparation of this report and others of the same series is to present detailed information of practical value to vessel operators, producers, manufacturers, importers, exporters and all other persons having occasion to ship goods through our ports.

The report on Boston gives full information regarding port and harbor conditions, port customs and regulations, port services and charges, fuel and supplies, and all facilities of the port available for service to commerce and shipping, including piers, wharves and docks, dry docks, ship repair plants, coal and oil bunkering facilities, grain elevators, storage warehouses, bulk freight storage, floating equipment, wrecking and salvage equipment, etc. Information is given regarding the railroads communicating with the port and their charges and practices in connection with terminal service. Full information is also given regarding the steamship lines serving the port.

A valuable feature of the report is the inclusion of extensive tables of freight rates which show clearly the position of Boston as an outlet for traffic from producing sections of the

country and as a port for the receipt and distribution of imports. Maps are printed showing the origin and destination of both imports and exports moving through Boston during the calendar year 1913, this being the last pre-war year during which normal conditions prevailed. The effects of the several rate changes since 1914 are discussed, as bearing upon the downward tendency of Boston's trade in those classes of commodities peculiarly sensitive to rate influence. Extensive information is given regarding the business of the port, and the traffic is analyzed in relation to its bearing upon steamship service. It is shown that Boston's imports have been largely for consumption within the local territory. On account of its excellent cold storage facilities, Boston continues to attract a large export business in packinghouse products, but the railroad rate situation during the last few years has placed it at a distinct disadvantage with respect to many commodities.

The complicated and expensive switching arrangements of the port are explained and the necessity pointed out for a change in the conditions which will enable flat rates to be made to and from all water terminals customarily used for general transportation purposes.

An interesting map is printed showing the territory tributary to Boston. This map is based upon an examination of the freight rate situation sup-

plemented by a careful study of the actual movements of traffic.

The following statement is quoted from the conclusions to the report:

"A study of the statistics contained in this report shows that Boston's exports are insufficient to attract any considerable number of regular lines to the port. Boston is now merely a port of call for much of its foreign freight. Many of the vessels engaged in foreign trade at this harbor unload partial cargoes and proceed to New York or southern ports with the remainder, or vice versa. \* \* \*

"New England is primarily a manufacturing district. In connection with her industries she imports raw materials, such as wool, cotton, rubber, hides, fibers, etc., but produces no commodities of heavy tonnage to ship out. Exports originating in New England are confined chiefly to high class measurement goods. Such goods have a wide distribution in foreign trade and must seek a port having a multitude of shipping services. The shipping services, on the other hand, must in general seek ports furnishing well-balanced cargoes, and particularly heavy cargo in abundance for dead-weight and for making up full loads. \* \* \*

"More vessels may be attracted to Boston through the restoration of the through export traffic, and particularly the rapidly dying grain trade. Grain and flour are important to Boston's

(Continued on page 20)

# Ridding Farms Of Their Pests

*Scientific extermination of predatory animals by the Bureau of Biological Survey of the Department of Agriculture saves about \$19,000,000 each year to the farming interests of United States*

*Written especially for AMERICAN INDUSTRIES*

By C. C. MARTIN

**T**HE many-sided business of the Biological Survey is to fight the furred and feathered enemies and to conserve the furred and feathered friends of the country in general and the farmer in particular. It studies the food habits of wild animals to find out which *are* enemies and which friends, and investigates ways and means of destroying the former and protecting the latter; it wages war against predatory animals and injurious rodents; it experiments in fur farming, in order to determine the most productive methods of rearing fur-bearing animals in captivity; it takes a rough "census" of the bird population to estimate how many there are of different species and in different parts of the country, and studies their conduct to see if they are "hostile," "friendly," or "neutral" to farm crops; and while its right hand is turning out all these investigations and

campaigns, its left is attending to numerous routine duties, such as the administering of laws for the protection of game, regulating the importation of canaries, parrots, and other bird immigrants, and supervising the seventy-four Federal mammal and bird reservations.

Each of these activities has a story of its own, and perhaps the most interesting of these stories is about the two animal wars that the Bureau is constantly and vigorously waging: the war against predatory beasts and the war against rodents. The importance of these wars may be judged from the following recent figures concerning the loss of agricultural products through the ravages of wild animals in the United States.

The value of livestock and wool destroyed by predatory animals is estimated at about \$20,000,000, the value of farm crops and forage con-

sumed by rodents at \$300,000,000 and the household loss through rats and mice at \$200,000,000, making a total bill for damages of more than half a billion dollars per year to be charged up to wild and slightly less wild beasts.

Farmers have always suffered more or less patiently under these afflictions, and until recently there was almost no organized effort to combat them. Uncle Sam himself played little more than the part of a sympathetic onlooker, until the great war broke out, and every pound of meat and every potato became a matter of world-wide importance. Then he seized his gun and went after these insidious enemies of the food supply.

To-day the Biological Survey has between 400 and 500 paid hunters whose sole duty is to hunt and trap wild animals, and last year these professional Nimrods made a "catch" of



A community drive capturing hundreds of rabbits



about 32,000 skins and scalps, divided among the various animal tribes as follows: Wolves, 584; coyotes, 27,100; mountain lions, 149; bobcats, 4,123; Canada lynxes, 43. To the average citizen of the United States, especially in the thoroughly domesticated East, these interesting "mortality statistics" might suggest a circus rather than a practical problem, but to the farmers of the western ranges they mean a saving in livestock of about \$5,000,000. They mean a tidy sum for the Government also, for in these days of summer furs, winter furs, and between-seasons furs, almost any kind of wild animal's skin is a valuable asset. The skins taken by Federal hunters become the property of the Federal Government, and since the first Government hunter started on the war-path a few years ago nearly \$200,000 have found their way into the Treasury by this route.

The millions of dollars saved to agriculture by these systematic shooting campaigns make the \$592,000 appropriated by the Federal Government last year for the destruction of both predatory animals and rodents seem negligible indeed. As a matter of fact, much more money than that was actually spent, for the work is so highly valued by the people of the states in which it is most needed that \$800,000 were subscribed by state and county governments, farmers' and stockgrowers' associations, and individuals, to be expended under the direction of the Survey. Personal co-operation, also, has been freely given, and thousands of individuals have voluntarily become hunters themselves under the leadership of Survey workers, both on private lands and on adjacent government properties.

Hunting with a gun is more sensational and makes a much better motion picture than hunting with poisoned meat, but in the war against the coyote, the particular bane of the sheep grower, wholesale poisoning has been found even more effective than wholesale shooting. In many of the most important stock districts of the western states losses of sheep and cattle have been reduced to a minimum in this way, and in one large area where sheep owners formerly suffered an average loss of about twenty-five animals a day throughout the season, systematic poisoning operations on the ranges have made it possible for sheep to graze shepherdless for several days in succession without a single loss.

In the states of California, Idaho, Nevada, Oregon and Washington, a part of the fund for wild beast control is set aside for the specific purpose of destroying rabid animals. In 1914, there was a serious outbreak of rabies in these states. In that year,

besides heavy losses among domestic animals, 1,500 persons were bitten; in the following year cattle valued at about \$500,000 died of rabies in the single state of Nevada, and it became evident that, unless drastic measures were taken, this terrible disease would sweep like a forest fire over the entire northwestern range district. At once the government hunters rushed to the rescue, and ever since they have fought the disease, concentrating all their forces in districts where outbreaks have occurred and holding them there until every animal afflicted or exposed has been destroyed. As a result, the disease has been kept within bounds; and, while there are still occasional cases, they occur only in scattered localities, and the number of domestic animals and persons bitten has decreased year by year.

The menace of predatory animals is of course concentrated in a few western states, but the rodents—such as prairie-dogs, ground squirrels, jack rabbits, mice and rats—know no state boundaries, and the killing of these pests is therefore of even greater importance than the more dramatic business of destroying wolves and bobcats.

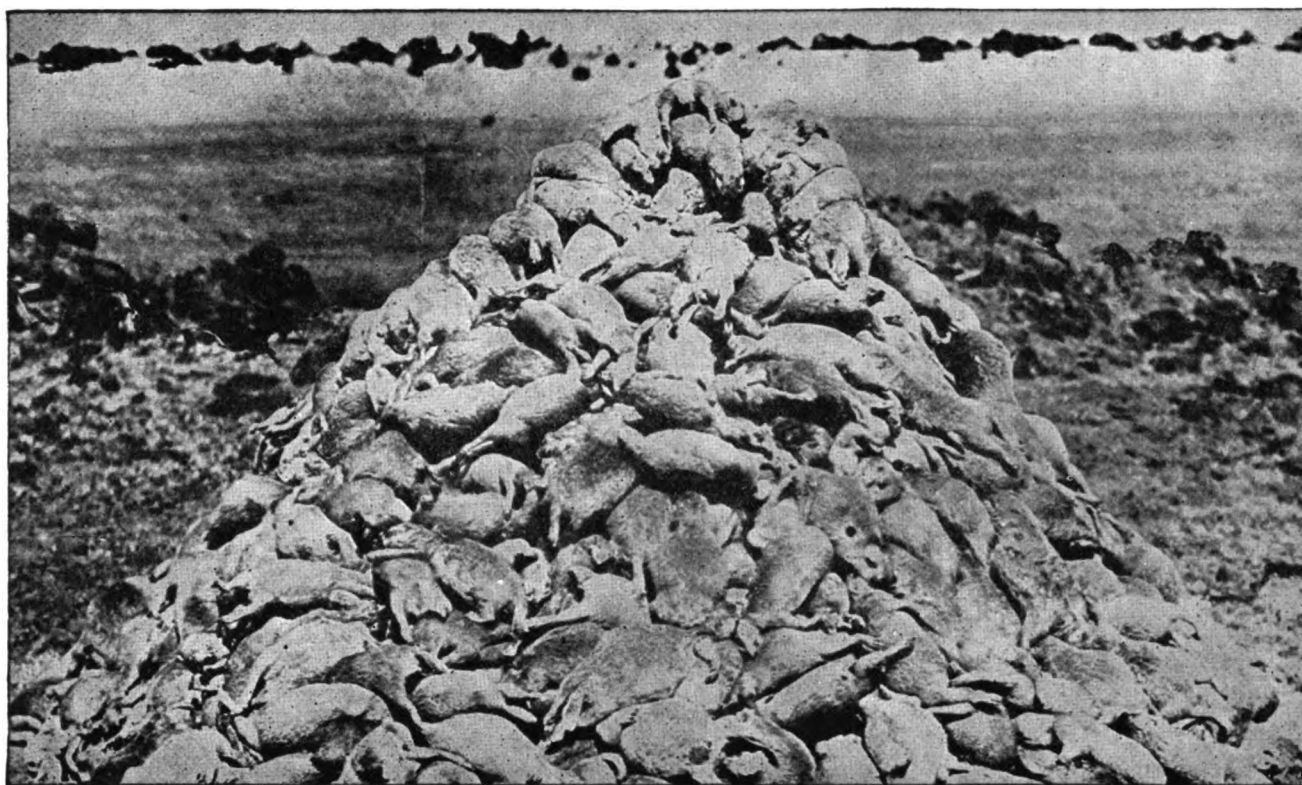
The prairie-dog, for example, is a meek-looking creature, but he is a most undesirable citizen, nevertheless, occupying more than 100,000,000 acres of land through that right of possession which is nine-tenths of the law, and making short work of the crops and the forage of his human neighbors wherever he lives. Last year, therefore, the United States Government, represented by the Biological Survey, opened hostilities against the prairie-dog, and thousands of volunteers gladly enlisted at once "for the duration of the war." Poisoned grain was the most important weapon used, and it was handled with such deadly effect that from 75 per cent to 95 per cent of the enemy were wiped out on a battle-front comprising nearly 2,000,000 acres of private land and more than 200,000 acres of public land. The war is still on, and the farmers of one county in South Dakota, who saved \$18,612 worth of crops by systematically poisoning more than 30,000 acres of land, declare that they shall continue the fight next year "until every prairie dog is dead." Every dog may have his day, but it looks very much as if the prairie-dog were drawing near the end of his in the United States.

Similar methods of extermination have been used effectively against the ground squirrel. The poisoned grain used against these and other pests of private lands is prepared under the supervision of field representatives of the Bureau and furnished to farmers

at cost. In Idaho, last year, this coöperative method of purchasing resulted in the saving to farmers of about \$18,500. In 1919, 1,349 tons of poisoned grain were prepared and distributed in this way throughout the western states, and nearly 110,000 farmers took part in anti-ground squirrel campaigns. In the state of Oregon over 20,000 pounds of poisoned grain were spread on Government land by Survey employes themselves, or by farmers and stock men working under their direction. Foreseeing a mad scramble by the squirrels to reach safer ground, the Government also furnished strychnine and poisoned grain to the agricultural agent of the nearest county, to be used for first-aid against the squirrels as fast as they arrived. Soon seventeen counties had joined in the campaign, over 75,000 farmers participated, and with 85,000 pounds of poisoned grain prepared under the direction of the Survey's representatives, they treated 697,000 acres of their own land.

In many states the pocket gopher, a rat-like animal with pouched cheeks, produces a somewhat similar problem and is attacked in a similar way. An agricultural college official estimated that one-tenth of the Kansas alfalfa crop was destroyed by pocket gophers in 1918, with damages amounting to about \$10,000,000. In a certain part of Texas, agricultural agents desired to introduce the peanut as a crop to take the place of cotton, which was temporarily prohibited because of quarantine against the cotton boll weevil. Plans were proceeding merrily in this direction, when the region was found to be so infested with gophers that any farmer daring enough to try to raise a crop for himself would be pretty sure to discover that he had actually raised it for gophers. Accordingly, under the direction of the Survey, farmers and business men joined in a community anti-gopher campaign, with the result that not a gopher was left alive in the entire district, and a fine crop of peanuts was raised and harvested.

A different technique, so to speak, is required in killing the jack-rabbit which works such havoc among the wheat, barley, oats and alfalfa fields of the western states. As these animals are not merely "pests," but are considered very good eating by many people, they are not poisoned but are caught by trapping or by organized "drives" wherever market and other conditions are favorable. The community rabbit drive is often attended by hundreds of people, who gather from all the country round, encircle the area to be cleared, and start the rabbits on the run, closing in behind them at the entrance to a "corral"



Thousands of little pilferers whose deaths saved thousands of dollars

constructed for the purpose. In the state of Idaho, where rabbits were doing unusual damage last year, these drives were conducted on a tremendous scale. One community caught over eight thousand rabbits in a single drive, another 3,500, and in one county 29,000 rabbits were killed in organized drives, and 60,000 more in poisoning campaigns. In a certain county of Washington, 11,000 were killed by hunters armed with guns

and forming a line five miles long.

The entire program of the Biological Survey is one more demonstration of the fact that coöperation is as valuable in agriculture as in any other large-scale business. About 42,000 farmers in the state of North Dakota and about 18,000 in Montana joined in the rodent killing campaigns instituted by the Survey, and it was largely due to their enthusiastic coöperation that so much was accomplished.

Neither individuals alone nor governments alone could keep a determined horde of jack-rabbits out of the nation's garden, but individuals and governments together are able to raise a barrier through which the most sharp-toothed rodent is unable to gnaw his destructive way.

The value of this campaign, measured in millions of dollars, promises to exterminate the pests which have made otherwise fertile lands barren.

## Facts About Coal Mining, Both Kinds

**I**N connection with the recent public interest in the coal situation, Acting Director E. A. Holbrook, Bureau of Mines, emphasizes certain engineering and economic facts that have been brought out from time to time by engineers of the Bureau and others.

The costs, supplies and markets for anthracite (hard coal) should not be confused with those for bituminous (soft) coal, Mr. Holbrook points out. Anthracite is mined in North-eastern Pennsylvania alone. The mining costs comparatively are high and the supply is used largely in the eastern states as a domestic and city fuel on account of the absence of dust and freedom from smoke. The bituminous

coal produced in the remaining coal fields of the country is more cheaply mined, has more tendency to produce smoke, and, in general, is the industrial fuel of the whole country and the domestic fuel of much of the country west of Ohio.

There has been practically no production of anthracite since April 1, and such of this coal as has been sold comes from stocks then on hand above ground.

Most of the production of bituminous coal at present is coming from West Virginia, Alabama, Kentucky, Tennessee and from scattered mines in western Pennsylvania.

The consumer who has been accus-

tomed to buy coal from other and nearer mines must expect to pay a higher freight cost per ton for coal from these more distant mines.

The usual coal mine is a business operation in which the bulk of the product must be sold before it can be produced. It is still not commercially practicable to store great percentages of the coal output above ground to await a favorable market. Therefore, a coal operator who finds a customer or customers willing to contract to take 50 or 60 per cent of his coal regularly for a year, often sells this coal at cost or perhaps below cost, as it enables him to keep his mine working, and he must therefore charge more per ton for the remainder of his coal

sold without contract or as the so-called "spot coal."

The actual costs of blasting and loading the coal out of the mines may be somewhat more than one-half the cost of producing the coal. The rest of the operator's cost is for machinery, timber, power, pumping water, keeping the mine passages free from fallen rock, and the other overhead expenses incident to any business. Thus, the cost of mining a ton of coal is different for every mine in the country. A new modern mine operating full time on a favorable seam of coal may produce the coal for \$2 per ton,

or perhaps less, while with an older mine with long passageways to maintain, the cost may be up to \$2.50 per ton. At other mines, where the coal bed is not so thick, the cost may be as much as \$3, or possibly more. Costs are also affected by the degree of operation. With a normal \$2.50 cost mine running to only ten per cent capacity it is possible for mining costs to go as high as \$4 or \$5 per ton.

Each decrease in the price per ton of coal closes the higher cost mines and reduces supply and thus prevents to an extent a surplus of coal. Each increase in the price of coal enables

more mines to operate and thus brings more coal on the market. A comparatively small percentage of excess coal has generally caused a sharp decrease in price; a comparatively small deficiency a decided rise.

In general, much of the confusion in the public mind in regard to the production of coal comes from the facts that it is a diverse, great, and scattered industry. Conditions and facts for one district may be misleading when applied to another. For each condition investigated, generalization should be made only after a careful study of many districts.

## Hoover Obtains Price Agreement

**A**GREEMENT with representatives of the National Coal Assn. and National Retail Coal Merchants' Assn. on a plan for preventing advance of bituminous coal prices during the strike has just been announced by Secretary Hoover after a conference at the Commerce Department.

Anthracite coal operators, Mr. Hoover stated, had agreed not to advance prices of stock now held above ground over the level of the middle of June, which, he added, was lower than at the beginning of the strike.

Bituminous operators in fields where a price basis has not been established, Mr. Hoover said, will be "earnestly requested" to reduce selling expenses for spot coal to the Garfield price, including the standard selling expense plus such additions for increased costs as are justified in each individual case.

"The complexity of local conditions," he said, "due to the strike and the entrance of many 'snowbird' mines, makes the establishment of maximum prices very difficult in many districts. This plan, if adhered to, should result in a reduction of prices in several districts in Pennsylvania and West Kentucky. I have some assurances that this basis will be accepted for Pennsylvania and I hope West Kentucky will also fall into line."

Persistent misstatement or misunderstanding of elements inside and outside the coal industry, Mr. Hoover said, had given rise to the impression in some quarters that the maximum of \$3.50 a ton for spot coal, established with operators of 80 per cent of the producing fields, constituted minimum prices and offered opportunity for occasional advantage being taken.

"It is in the interest of the good repute of the industry," he said, "as well as of the public that the above formula

for computing prices in relation to the Garfield scale would be conscientiously applied by all operators."

There have been few violations of the spirit of this arrangement in Virginia, West Virginia, Eastern Kentucky and Tennessee, he said, where prices for spot coal average about \$3 a ton, varying from \$2.50 to \$3.25 with an occasional sale at the maximum. More than half of the tonnage, he added, was moving as contract coal at averages below \$2.25, while Alabama coal was being offered at from \$1.82 to \$2.10.

At present, he added, there was a surplus of unsold coal at Virginia tide-water and in Alabama which it would be to the advantage of larger consumers to obtain, as public demands will enlarge later in the season.

"It has been settled with representatives of the retail association," Mr. Hoover said, "that they will coöperate to secure that all coal is sold at cost, plus a reasonable selling charge; that

in localities where bituminous coal is sold for household purposes, existing stocks as of June 1 of unsold pre-strike and contract coal be reserved for the smaller household trade and such coal be sold at prices based upon cost plus usual handling charges, except, for the above coal, that the retail prices be based upon average purchase prices with the usual handling charges; that the retailers coöperate to prevent rising mine prices by calling the attention of the Administration to price demands out of line with the established basis, and that retailers handle coal on straight lines from operator and wholesaler without speculative resales in the trade."

"Permanent settlement of the coal problem," Mr. Hoover said, "rested on a solution of the question of intermittent employment. Part of the miners received less than an annual living wage, while there were high annual wages where there was permanent employment."

### CHEMISTS, GASES AND FUELS

Dr. R. S. McBride, secretary of the Gas and Fuel Section of the American Chemical Society, announces that the new section will meet with other sections of the Society at the Fall Meeting to be held in Pittsburgh, September 4 to 9.

Among the topics to be discussed will be the general subject "combustion" in the form of a special symposium to be conducted under the chairmanship of Prof. R. T. Haslem, of Massachusetts Institute of Technology. It will include a program of papers on chemical methods underlying fuel utilization.

Officers of the section are:—Dr. A. C. Fieldner, Bureau of Mines, Pittsburgh, chairman; and R. S. McBride, Colorado Building, Washington, D. C., secretary.

(Continued from page 16.)

success as a port, because they are the only heavy commodities normally available for shipment in large quantities to the European countries from which Boston's imports are largely received. The restoration of the grain trade, however, is apparently dependent upon a change in the rate situation which will place this port upon a more favorable basis."

# Manufacturers and Advertising Men

*General Counsel of National Manufacturers tells the Associated Advertising Clubs of the World at their Milwaukee Convention of many phases of the industrial span from Waterloo to the Armistice*

By JAMES A. EMERY

General Counsel, National Association of Manufacturers

WE who live in the midst of rapid change are often least conscious of its nature and modifications. Specialists who know all about one thing are sometimes threatened with a loss of that sympathetic understanding that comes from knowing something about everything. A decade of America equals more than a cycle of Cathay. You are the interpreters of the vast practical activities of our life. To you one turns with confident expectation that you will sympathetically consider the nature and operation, the extent and circumstances, the world-shaping influence of that gigantic thing we call American industry.

The nation of our founders, like the Europe that echoed the tread of the First Consul's troops, was as different from the America of to-day as from that shattered continent over which rolled the obliterating waves of German gray. Colonial America and Napoleonic Europe, were fashioned of independent, self-supporting agricultural states and communities. The intimately related world of Wilson and the war was composed of interdependent industrial sovereignties. The strongest of these in Europe found the food of its people across the pathways of the sea, while the handful of revolutionary agricultural colonies had become an industrial America, the ultimate arsenal of European civilization battling for its existence.

What revolutions in life the century has wrought from Waterloo to the great Armistice? Gazing for a moment only upon the economic factors in the miraculous transformation of social conditions, we find some significance in the inquiry: Why did one hundred men perish miserably while trying, in the XVI Century, to establish a settlement on the edge of a territory in which one hundred million now dwell in prosperity? To that Sumner, of Yale, answered:

"It was because nature offers not a boon but a battle, not a gift but a task, and these men with the means they then possessed were not competent for the task nor able to win the battle."

The answer to the astounding and

sudden progress of the past century was the discovery and development of new social power in the multiplication of the mechanism of production. Nature, yielding reluctantly to the effort of man, interposing her hostile forces at every turn, found herself suddenly confronted with aroused and stimulated generals of science and invention. Franklin summoned the lightning from the skies to be the bond slave of those who had crouched in fear beneath the crashing artillery of the skies. A generation of genius made cotton a world clothing by applying mechanical fingers to the raw material that resisted the awkward effort of the slave, and, from lint to clothing, perfected with amazing rapidity every process of manufacture. Even while Thomas Hood touched the heart of England with the pathetic "Song of the Shirt," a gaunt New Englander, in a garret at Cambridge, was shaping in mechanical notes the revolutionary music of the sewing machine. The whistle of the *Claremont* startled the echoes of the Palisades. Stevenson brought Watts' teakettle to the highway, even as later Morse and Bell carried their whispers to the wire. Space and time were yielding to the march of American genius, as Oliver brought the first radical changes in the tillage of the soil since the Roman plow, while McCormick, reaping the expanded fields with the ghostly fingers of his ingenuity, released armies to Lincoln, enabling the nation to not merely feed its forces but sustain the cost of the war by contributing in the very midst of a nation-shaking struggle to the provisioning of Europe. McCormick's reaper helped to hold within the Union the very kingdom of cotton, which Eli Whitney's cotton gin had founded.

These memories of the American conquest of nature, notable as they were are but significant and symbolic of that multitude of contributions that, first establishing the economic independence of the United States in the difficult decades that followed the acquisition of political freedom, were accompanied by contemporary and aggressive achievements in business organization and administration that

made practically available to the whole people the scientific discoveries and mechanical improvements of the laboratory and the shop. We had successfully produced an elastic and vigorous social life that could take risks and afford experiments in every field of endeavor and development.

Such are the antecedents of the industrial organization of to-day. By it I mean that succession of the transformative arts and process in which the finished product of one is often the raw material of another, the arts of manufacture in all their varied forms, the unconscious partner of the farmer, the forester and the miner, shaping his basic contribution into the million farms that minister to the necessity, the comfort, the convenience, the luxury, of our countrymen, and find their way into the market places of mankind.

Your endeavor translates this effort into the mind and heart of the public. You are not merely sellers of things but of their makers, not merely of products but of institutions, the chosen interpreters of accomplishments that minister to the needs and tastes of men. You are the heralds of industrial achievement.

In the modern world, manufacturing effort sustains, enlarges and contributes to the improvement of all the activities of life. Multiplying the productive power of the human hand, it continually enlarges the inheritance of wealth that each generation received from its predecessors, replenishes our wastes, assures the chance to accumulate new capital, and guarantees the opportunity for leisure that makes certain the means and opportunities for the cultivation of the nobler forms of cultural life. It is, moreover, the tool-maker and the power ruler that enlarges the food production and lessens the labor of the farmer, shapes the means to explore and exploit the hidden treasures of the earth, provides the vehicles of transport and the delicate instrumentalities of communication that convey thought with the speed of light. Its mechanisms seek the sky with the eagle, and compete in the depths of the sea with its fish. The contributions of manufacture are

(Continued on page 26.)

# AMERICAN INDUSTRIES

D. M. EDWARDS, EDITOR AND MANAGER

REGISTERED IN U. S. PATENT OFFICE  
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## FOREIGN PRICES CLIMBING

**C**ABLE reports just received by the Federal Reserve Board show that foreign prices, wholesale, export and retail, are steadily climbing and even Germany which has been undergoing drastic price deflation is now showing advances in practically all lines. France which has steadily been climbing for the past year made a light gain, but showed signs of a price revision which, however, seems destined to be a slow and long-drawn-out process. England showed the heaviest increase, and her prices, too, were well above the normal year of 1913, used for comparison purposes.

The index number of wholesale prices in England constructed for the Federal Reserve Board for the purpose of international comparison, rose in May to 171, an increase of 4 points over the April number of 167. It, therefore, stands at approximately 15 per cent higher than the Federal Reserve Board index of American prices (on the basis of prices in 1913, 100). Prices of goods imported into England rose 5 points; and prices of goods exported showed an increase of 3

points. Raw materials increased 2 points, producers' goods 3 points, and consumers' goods 8 points.

Goods produced, climbed 3 points since last month, but have gained 35 since last year—the greatest price rise of any division. Goods imported were 6 points higher than last month, but only 14 points above last year. Goods exported, prices showed the greatest gain, the month climbing 12 points to 182.27 points above last year's figure. Raw materials, now 29 points higher than last year, gained 3 points during the month, producers' goods that were 30 points better than last year, gained a like amount, and consumers' goods 25 points better than last year, also climbed 3 points. The average is 30 points higher than the price figures last May.

The board has received a wireless from the American Commissioner in Germany giving the wholesale price index for June, 1922. According to this index there has been an increase of 3.6 per cent in the general level of wholesale prices in Germany during the month of May, as compared with an increase of 11.4 per cent during April. The all-commodities index stands at 6809, as compared with 100 in the middle of 1914.

Germany's position is almost diametrically opposite England, although her prices are now beginning to climb. Food, 563 points below last year's figures, picked up 6 points in May; textiles and leather, 310 points under the year previous, climbed 8 to 78; minerals, 390 points under the previous year, gained 3 to 112; sundries, 565 points under last year, were up 2 to 196, and the average, 474 points below last May's prices, climbed 4 points to 132. This is the first month since May of last year that the average price list has shown a tendency to climb and with the exception of food, which rose 3 points in August, every commodity has shown a terrific and consistent price drop for the entire year under review.

The board also received a cable message from the General Statistical Bureau of France, giving the wholesale and retail price indexes for France for the month of May. According to these compilations, wholesale prices, which increased 2 per cent during the month of April, showed a further increase of

0.8 per cent in May. Retail prices, which increased 3.4 per cent during April, showed a further increase of 4.3 per cent in May.

France shows the most stable position with every commodity, excepting textiles and sugar, coffee and cocoa showing slow but consistent price gains since last May. Sugar, coffee and cocoa declined 3 points in the year and textiles dropped 60 points, but the average of all commodities showed a 14-point climb during the year.

Animal foods climbed 35 points during the month to 447, 20 points above last May; vegetable foods 27 points to 414, but are still 43 points higher than a year ago; sugar, coffee and cocoa lost 22 points to 335; foods dropped 2 to 411, 24 points above May last year; minerals rose 6 to 319, 21 points better than the year previous; textiles climbed 5 to 330, 60 points under last May; sundries gained 16 to 390, 45 points above the previous year, and raw materials climbed 9 to 356, 7 points above the last year's price quotation.

## SHIPYARDS ARE BUSY

**W**HILE the shipbuilding situation generally may not be considered as bright as at this time last year, the American Bureau of Shipping has just issued a report showing that the steel tonnage under construction and contracted for in the United States last month totaled 122 vessels aggregating 208,310 tons.

Of his tonnage, the records of the bureau show, 20 ships of 155,205 tons are of the seagoing type and 102 vessels aggregating 53,105 tons are non-seagoing, including tugs, ferry boats, car floats, yachts, etc. This work is shown to be well scattered over practically all of the yards of the North Atlantic coast and the Great Lakes.

Comparative figures show that on May 1 of this year there were 31 vessels of the sea-going type aggregating 255,060 tons under way and contracted for, and 85 vessels aggregating 36,673 tons of the non-seagoing type. On May 1, 1921, the records showed 290 vessels aggregating 1,132,176 tons.

Figures gathered from local shipyards indicate that the repair work and reconditioning contracts are holding up well.

Possibly due to the anticipation that



the ship subsidy question will be settled one way or another within a short time, there has been reported a much sharper demand for old and new tonnage the past ten days. From the office of one of the naval architects came word of inquiries as to a tanker and a cargo ship of approximately 9,000 tons. Casual inquiry among the ship yards, without asking for figures that would be considered an official bid, brought a proposal to build the tanker at \$100 a ton.

### WHAT THE RAIL WAGES REALLY ARE

(From the New York Herald)

**I**F it were true, as declared in the defiant letter of some of the railroad union officers to the United States Railroad Labor Board, that the lowest paid employes "have been degraded below a level of bare animal subsistence" and the earning capacity of the employes in the higher grades reduced "below a standard of healthful and decent living"—if that were true the wage cuts ordered by the board, slight though they be, would be indefensible. But it is not true. It is nowhere near true.

The record is very clear. In respect of the particular unions and crafts whose officers signed the statement the facts of plain record are emphatically and irrefutably contrary to what the union officers and leaders assert.

The average wage in 1914 for the railway machinists, boilermakers, blacksmiths, sheet metal workers, electrical workers and molders was \$78.75 a month, while last February, after the first wage readjustment, it was \$184.01 a month. This shows an increase in wage of 134 per cent.

In the summer of 1914 the average wage of car men was \$62.84 a month while at the close of last year it was nearly three times as high at \$180.63 a month.

In the summer of 1914 the average wage of signal gang foremen was \$82.90 a month. In February of this year it was \$205.72, or an increase of more than 148 per cent. The average of signal men in 1914 was \$71.20; in February last \$181.05, an increase of more than 154 per cent. For assist-

ant signal men the wage went up from \$60.40 to \$137.47, or more than 127 per cent.

Stationary engineers had their average go up from \$77.37 in 1914 to \$158.42 in 1922; stationary firemen went up from \$63.21 to \$136.26.

Now the officers of the foregoing unions cannot be ignorant of these facts and figures, because they were all put into the record at the hearings before the United States Railroad Labor Board and the officers of the unions followed closely every word of testimony and every scrap of exhibit that were submitted to the board. These facts and figures have not been disproved and cannot be disproved; so when the officers of the unions to which the wage averages apply put out such a statement as they have put out they know it is a false statement.

And those union officers know while the average wage of the machinists, boilermakers, blacksmiths, etc., was up 124 per cent. the cost of living increase by the United States Department of Labor figures was so much lower than the wage increase that with their wages expressed in terms of commodities, rents, etc., those employes were 35 per cent better off than they ever had been before the cost of living went up. They know the car men, with their wages expressed in terms of commodities, rents, etc., were 65 per cent better off. They know the signal gang foremen were 44 per cent better off, the signalmen nearly 48 per cent better off and the assistant signalmen 32 per cent better off. They know the stationary engineers were 19 per cent better off and the stationary firemen more than 25 per cent better off.

As for the section gang workers, largely the common labor on the roadbeds, the average monthly wage in 1915 was \$44.17; now it is \$98.88. This is an increase of 124 per cent. Station, storehouse and warehouse employes, watchmen, freight truckers, stowers, etc., had an average wage in 1915 of \$51.72, which went up to \$119.78, or an increase of 131.6 per cent.

What the leaders of those railroad unions are fighting against, therefore,

is not, as they say, a wage readjustment by which workers are "degraded below a level of bare animal existence." They are fighting to perpetuate an abnormal railroad labor charge that makes it impossible for the public which pays all the transportation bills to get lower freight and passenger traffic rates to correspond with the public's own reduced wages and earnings.

The railroad payrolls by the end of 1920 were up as a straight increase over 1916 by more than two billions of dollars a year. That was an increased transportation labor cost on the public averaging \$100 for every family in the United States. The total railroad payrolls for 1920 were \$3,700,000,000. That was a transportation labor cost on the public averaging \$185 a year for every family in the United States.

The American people's total railway transportation bill—labor, coal, material and supplies, taxes and everything else—ought not to be as much as the railway labor bill alone is. Until 1917 the American people's total transportation bill was not so heavy as the 1920 railway labor charge became.

In the fiscal year of 1916 all that the American people gave up to the railroads—in total operating revenues received by the roads from all sources—was \$3,381,597,000. In 1915 it was only \$2,871,563,000. In 1912 it was \$2,805,000,000—nine hundred millions of dollars a year less for everything that was paid to the railroads by the public at that time than the railroads paid for labor alone in 1920.

The American people, with their own earnings deflated from the war levels, cannot carry the inflated transportation charges—the railroad operating revenues—strapped upon their shoulders to the staggering total in 1920 of more than six billions of dollars. And there is no possible way to get that crushing load of transportation charges against the public down where it ought to go and where it must go without the deflation of highly inflated railway labor charges along with the deflation of all other railway charges.

That's the whole issue—the American public's issue.



## WAR DEPARTMENT

**JUNE 27—Q. M. SUPPLIES**—Norfolk, Va., Auction. For catalog write Q. M. S. O. Gen. Intermed. Depot, 1st Ave. & 59th St., Brooklyn, N. Y.

**June 29—Q. M. SUPPLIES**—Brooklyn, N. Y., Auction. For catalog write, Q. M. S. O., Gen. Intermed. Depot, 1st Ave. & 59th St., Brooklyn, N. Y.

**June 29—AIRPLANE ENGINES**—Washington, D. C., Sealed bid. For catalog write, Chief, M. D. & S. Sect., 2624 Munitions Bldg.

**July 6—Q. M. SUPPLIES**—San Antonio, Tex., Auction. For catalog write, Q. M. S. O., Ft. Sam Houston, Tex.

**July 7—Q. M. SUPPLIES**—Washington, D. C., Auction. For catalog write, Q. M. S. O., 1st Ave. & 59th St., Brooklyn, N. Y.

**July 11—AIR SERVICE SUPPLIES**—Buffalo, N. Y., Auction. For catalog write, C. O., Curtiss-Elmwood Depot, Buffalo, N. Y.

**July 12—Q. M. SUPPLIES**—San Francisco, Calif., Auction. For catalog write, Q. M. S. O., Gen. Intermed. Depot, Ft. Mason, San Francisco, Calif.

**July 13—Q. M. SUPPLIES**—Omaha, Neb., Auction. For catalog write, Q. M. S. O., 1819 W. Pershing Rd., Chicago, Ill.

**July 20—Q. M. SUPPLIES**—Columbus, O., Auction. For catalog write, Q. M. S. O., 1819 W. Pershing Rd., Chicago, Ill.

**July 25—Q. M. SUPPLIES**—Camp Jackson, S. C., Auction. For catalog write, Q. M. S. O., Candler Warehouse, Atlanta, Ga.

**July 28—Q. M. SUPPLIES**—Philadelphia, Pa., Auction. For catalog write, Q. M. S. O., 1st Ave. & 59th St., Brooklyn, N. Y.

**SEND FOR CATALOG**

## SELLING PROGRAM

**I**N checking over the accompanying program of sales, note that the designation "Q. M. SUPPLIES" is a cloak to a list of 65,000 commodities. Not all of this great number is included in each sale, of course. Nor will the buyer in the industrial field be interested in all of the 65,000 items. Your individual needs govern your purchases. Catalogs of each sale will guide you to wise buying. The sales listed will present some or all of the following commodities:

Woolens, cotton textiles, shoe and harness findings, machinery and parts, divers raw materials, rope, hand and machine tools, steamers, tugs, lighters, hoists, sheds, warehouses, pipe, plumbing supplies, heating plants, boilers, power plants, pumps, motors, wiring, railroad equipment.

Sales listed as "AIR SERVICE SUPPLIES" will offer from time to time:

Machine and hand tools, linen and cotton fabrics, scrap steel, iron, bronze, aluminum and brass; oils and lubricants, welding outfits, etc.

**SEND FOR CATALOG**

Your attention is invited to an offering of 500 Troy Trailer bodies, 1½ tons capacity, which will be sold by auction at Camp Holabird, Baltimore, Md., on July 27. For catalogs and full information regarding this sale, write Chief, Sales Promotion Section, 2515 Munitions Building, Washington, D. C.

*The Government reserves the right to reject any or all bids*

# WAR DEP



5-G-A



# Better Business

**Y**OUR hand can dam the mighty Mississippi at its source. Lift your hand, and the labors of a nation cannot halt the majestic sweep of the waters near their mouth.

Business is like the Mississippi. Remove the barrier at the source of supply, and the stream of trade will grow in volume as the rivulet becomes the river.

The War Department today is the greatest single source of supply the business world has ever known. Impounded in its warehouses

are millions of dollars worth of materials—bought to meet the acid test of use by your Army in the struggle “over there.” Their nature is as varied as the demands of diversified industry.

Better business depends in large measure upon the unhindered distribution of this surplus in the channels of trade. Do your part in releasing these stores.

The catalogs of offerings show the way. Write:

**Chief, Sales Promotion Section, Office, Director of Sales**

**Room 2515, Munitions Building., Washington, D. C.**

# ARTMENT

(Continued from page 21.)

ever meeting the test of a progressive civilization that a given amount of human effort shall ever produce greater wealth. It is the mechanical servant of the public.

Industry in the concrete is ever increasing the quantity of its establishments of the number of its recruits. There is a curious but inaccurate belief that manufacture is a thing of vast establishments, enormous numbers, under a single management. On the contrary, while it does not lack gigantic units, it numbers nearly 300,000 establishments, less than one per cent of which employ 1,000 persons, while the greater volume of production, the largest value added by manufacture and the most numerous body of wage-earners, are found in units of a few hundred. In the aggregate, the comparatively small employer is the large employer, and contributes most to productive value. Corporate organization it is true now covers 85 per cent of manufacturing production. But the name is no expression of the size, for there are corporations of small means, no less than large, while the increase in the number of corporate organizations has been accompanied by a constant enlargement of the number of stockholders.

The physical growth of manufacture from the Colonial seedling is amazing. The first census of manufactures in 1820 disclosed a volume of production less than that of the Steel Corporation in a single quarter. In 1919, the value added by manufacture had reached \$20,500,000,000, the sales value of commodities was \$62,588,905,000. The capital invested, \$44,688,093,771, had doubled in five years. The wages paid were two and a half times greater than five years before (\$10,531,600,340), employees had increased by two and a half million, during the same period and the primary horse power utilized by seven million.

Here, then, are the physical proportions and growth of the American industrial structure. In operation, it is a vast partnership of investment and labor, graduated from the manual worker to the high-managing executive, from the mere physical energy of the willing hand, through every degree of energy and capacity to the highly trained director of production and distribution. Economically it is complex, sensitive, a systematically developed series of independent and varied units of manufacture, from basic forms to the most diversified and highly specialized functions.

The manufacturer has and is performing an indispensable service to society. But what are the social func-

tions to his industrial growth? Is he obtaining public reward upon fictitious values, or an undue share in return for either his investment or his direction? Broadly speaking, the "watered" industrial corporation is a thing of the past. The investigation of the Senate in pursuit of national revenue disclosed 4,500 manufacturing corporations with stock issues of \$100,000 or more. Among them all the average of "capital invested," as defined in the Revenue Act, was 182 per cent of the capital stock. To an ever increasing degree all the evidence demonstrates that manufacturing enterprise has steadily invested more and more of its profits in reproductive effort. It has thus steadily found new capital for its own development and that of others. "The duty of corporate saving has become nine-tenths of virtue in modern business," observed Mr. Keynes in his *Economic Consequences of Peace*.

On the other hand, impartial and authoritative inquiry by such bodies as the National Bureau of Economic Research make interesting disclosures of the disposition of industrial profit. They report that in large scale industry, where allocation of wages, interest, rent and profits is definitely made, "the share of net value of product paid in wages, salaries, pensions and the like, varies from two-thirds to a little more than three-fourths." Conversely, "management and property received one-third to less than a quarter of the net profits." In like enterprises, we are further informed, "salaries" absorb not more than 7 per cent or 8 per cent of the pay roll, while manual and clerical labor receives the remainder.

The sanitation, lighting and conveniences of American factories long since aroused the admiration and excited the imitation of European industry. Within the decade the ancient law of negligence has disappeared from our statute books. The great volume of industrial production is carried forward under conditions which not only impose upon the employer the highest precautions against accident and vocational disease but make him an insurer against the inherent risks of operation. In the larger scale industries, a distinct branch of novel industrial surgery and medicine has been systematically developed. It has made rapid progress in the standardization of physical tests and preventive and remedial that even in the allocation of occupation, the greatest care may be exercised in fitting the worker to the task. The great majority of managers are exemplifying in daily practice not merely a recognition of high responsibility for the well-being, adequacy of reward, comfort and

health of its working partners in production, but the whole field of employment relation is the subject of more intensive scientific and sympathetic study than ever in our history.

Individual and social experience is however, daily demonstrated that not each industry but each establishment must, in the public interest, work out its own employment relations as a unit of production and self-interest. For no single industry can with social safety be subjected to arbitrary suspensions until destructive fear forces an uneconomic resumption of operation. The independent coal operator and coal miner is to-day the sole source of the nation's fuel supply. In another field, fifteen billions of deferred construction awaits the slow and painful readjustment of our building industries. But neither fuel nor housing or any form of manufacture find a stable basis for the future if monopoly of opportunity for employment, with its inevitable attendant evils, is to be perpetuated by exclusive agreements.

He who runs may read the long judicial record of systematic, stubborn effort to maintain a monopoly of labor in the coal fields by contract, if possible, by organized force, if necessary. That notorious condition finds its counterpart in corrupt building trade coalitions, disclosed throughout the country. Like causes always produce like effects. Venal agreements between building trades employers and building trades employees, between coal operators and miners' unions, intended to secure monopoly markets for labor in exchange for monopoly markets for material, set up an enduring infection of which restricted output and apprenticeship, jurisdictional disputes and sympathetic strikes, paralyzed production and public disorder and loss, are the plain and inevitable symptoms. Public understanding and disapproval of the nature and effect of these conspiracies by employer and employee against the public interest is vital to the protection of our national traditions and the readjustment of demoralized industry. The free movement of trade and the trader is the cardinal doctrine of our commerce. The right to select and pursue a lawful calling and in pursuit of it to make legitimate agreements with all who seek them is a fundamental right of liberty and property which no people can neglect and prosper and no government deny and justly call itself free. Corporations and unions we shall always have. But it is for the people to determine what methods they shall employ and what ends they may seek. For both must live in subjection to the law, and neither must be permitted to exercise power without

accepting corresponding responsibility.

The interdependence and complexity of our life places inevitable restraints upon individual freedom. We pay for the advantages of society by conformity to its rules and coöperation with its parts. Many forces are constantly seeking to make it increasingly the business of government to establish more detailed government of business. It becomes, therefore, ever more important that we shall have general agreement upon what ought to be the scope of regulation. Shall the Government interfere whenever it can or only whenever it must? Are we to embrace the creed that men may be made good, or wise, or prosperous, by law, or, within the limits of public safety, shall they continue to run their own race, leaving the sanctions of nature to enforce the penalties of violated social virtue? Or shall we abandon the fundamentals of our faith in the individual and, sharing the impatience of those who do not always distinguish between progress and motion, yield to their irritation and impatience with the slow social influence of education and religion, of individual intelligence and character, and employ ever more largely the force of government to fashion the lives of men through public rules of conduct, expressing the social theories or remedies of organized but politically powerful minorities, or even ephemeral popular majorities?

Quite apart from its nature the mere volume of American legislation, state and national, presents a serious problem. Professor Dicey, of Oxford, observed that in a single year before the great war, Congress and the states enacted more legislation than was proposed in Great Britain, Germany, France, Austro-Hungary and Italy combined, although they possessed two and a half times our population. During the five years preceding the war the four thousand members of our national and state assemblies enacted 62,014 statutes. The total legislation of 1914 and 1915 alone required 43,500 printed pages for its expression and included 151,000 titles and sub-titles.

Forty-two of our legislatures were in session during 1921. Many of these considered more than a thousand bills. The present Congress has received 15,600 measures. During recent preceding sessions as many as 33,000 have been introduced, while since the adoption of the Constitution, substantially 3,000 proposals have been formally made for its amendment. To this multitude of proposed rules must be added the innumerable local ordinances of our cities and towns. Reliable authority estimates that substantially 60 per cent of these regulative suggestions relate to the uses of private

property or personal liberty in the course of business. "The patrolman of a modern municipality to be informed upon the ordinances and statutes, he is presumed to enforce," says a well known writer on police administration, "should have a working knowledge of 16,000 laws."

Voluminous legislation obviously multiplies litigation. We must not, therefore, be surprised to find that the decisions of our state and national courts of last resort, now require for publication some 600 annual volumes.

Thirty years of legal argument and judicial interpretation leaves us still uncertain of the application of our chief business statute to the compilation and distribution of information vital to a practical understanding of the state of trade. What then shall be said of the obstructive influence upon industrial development of this rising flood of novel legislation? Never was the business man under so serious a responsibility to place individually and collectively his experience and information at the service of the legislature. Never was the citizen under greater obligation to select his public servants with the same care that he devotes to the choice of a private agent. For the experience of the past decade and the circumstances of the hour make it increasingly clear that the necessary right to regulate the activities of industry may, if unwisely or improvidently exercised, become the means of discouraging and obstructing the very powers of production, which it is the primary office of government to conserve and stimulate. The great economic prob-

lems of this hour are but intensified by merely political answers.

Historically and practically, the most prosperous nations are not those possessed of the largest resources, the more numerous population, the widest area, the most money. Russia is said to contain greater national wealth than we possess. Like India and China, she exceeds us in territory and population, while only Germany owns an equal stock of currency. Prosperity is the possession of that people whose most intelligent and enterprising spirits are ever energetically stimulated and engaged in the efficient development of the national resources. For it is the will to achieve, the opportunity to do so and possession of the tools and resources to work in freedom and security of possession that insures abundant production. One hundred and forty years of extraordinary individual and collective success have demonstrated the moral and practical value of the fundamental concepts upon which American life has rested. We have invincible faith in the moral worth and dignity of the individual. We believe that he alone is the dynamo of social progress. Our unparalleled development has demonstrated the motive power of that creed. In every rank and field of active industry, it is the stimulant of service and advancement. To-day as never before it is the great trust which only public understanding and determination can maintain as the living force of progress against arbitrary restriction by private organization and experimental delimitation as a public policy.

## Opens A Workers' School

THE Industrial Association of San Francisco, sponsor for the American plan in the building industry, has established a school for the training of plasterers. Classes in other building crafts are to be installed as rapidly as possible.

The institution is said to be the first of its kind in the United States.

According to representatives of the Industrial Association, the school has been established to meet the shortage of plasterers, increased building activity having created a demand for many more than are available.

It is declared that the issue of unionism is not involved in the new method of training, no objection being offered to apprentices joining the union after they have graduated from the school.

Heretofore a plasterer has been required to serve an apprenticeship of three or four years before being ranked as a journeyman. The school course will require three months, after which those who have taken the course will be given employment by local contractors and recognized as journeymen after one year's experience.

At present there are twenty-one students enrolled in the school. These were selected from seventy-five applicants after physical and intelligence tests.

Married students are being paid \$2.50 a day during training.

The establishment of the school and completion of the three-month course will cost the Industrial Association \$8000, it was stated. Paul Eliel of the association is in charge.



# Unemployment On The Decrease

*Director of New York City bureau shows that the industrial revival has cut the number of persons out of work in this district alone from 500,000 in October of last year to 200,000 at the end of May*

**I**NDUSTRIAL revival has cut the number of unemployed in New York City from 500,000 in October, 1921, to 200,000 at the end of May, 1922. Jobs are beginning to hunt the jobless, and except for certain white collar activities, there is no respectable reason, according to employment experts, for men who really want to work being out of work.

John Sullivan, director of the City Employment Bureau, who has been in intimate touch with the unemployment situation since the end of the war, says that the crest of distress is past, and apparently for good.

Mr. Sullivan's observations agree with those by various volunteer agencies that have accomplished remarkable work in the trying period of readjustment, notably the Y. M. C. A., the Salvation Army, the Knights of Columbus and the American Legion. They check closely with facts and figures presented by the United States Department of labor and by the State Labor Bureau. In this connection Mr. Sullivan says:

"There has been a big revival in industry, especially in the building trades. Carpenters, bricklayers, ironworkers and common labor connected with the building operations are in keen demand. I should say that employment in all of the building trades is back to normal. There is a boom also in railroad construction, which has put thousands of men to work and a considerable expansion of railroad pay rolls in other directions. We figure that railroad employment, always a big item in the large cities, is back to about 80 to 85 per cent.

"Highway construction is being resumed now that spring is here, and that field is absorbing and will continue to absorb many men seeking employment. But both the state and national governments are slow to apply appropriations made for new roads and road construction. Park improvement has been a help.

"An interesting feature of the situation is that thousands of men have left the city and are going to leave to get jobs in the rural districts. Very many of these have despaired of obtaining in this city the kind of work they sought, and reading of good wages and board to be had on the farms are going out to have a try at

it. This is one of the most encouraging signs I have noted in years, for I believe that twice as many men are seeking farm labor from New York as ever turned their faces that way before.

"There is a revival in the machinery trades, and employment is growing in that direction, but I should say that it is hardly more than 50 to 60 per cent of normal, so far as New York City is concerned. The same figures apply to marine work and transportation labor. It is scarcely recovered from the depression of last year, and labor troubles.

"Slackness in the clothing industries contributes a good many thousands to New York's total of 200,000 out of work—slackness due to overproduction and to labor difficulties. The printing trades are busy and I think are about back to normal.

"Aniline dye workers seem to have been hit by the apparent ease with which Germany has reintroduced her dyes at low costs, and there are hundreds of such workers out of jobs here. It seems that the revived competition of the Germans has forced a number of American plants to close up or to cut down their pay rolls.

"There are probably 50,000 clerks or clerical workers and salesmen out

of work in the big city. Here is where the unemployment situation hits hard for very many of these men are getting along in years and are scarcely able to do anything else except the routine they are trained in.

"Many of these classes of white collar workers are so desperately anxious for employment that their constant appeal to us is 'Give us anything. Anything will do so we can scratch by until better times.'

"Generally speaking, common labor—men who will work with their hands—is in demand. It is the white collar boys that are suffering, and this has convinced us there should be an education campaign to show our people that we are top heavy in an industrial sense by our modern methods of education. The white collar activities are constantly and heavily over-manned and the skilled labor activities are under-manned. Apparently the big cure for unemployment is more manual training schools, or, rather, a larger disposition on the part of young people to enter such schools instead of seeking 'polite' education."

In the state the figures for unemployment have decreased from 1,000,000 six months ago to 400,000 now. This state shows the largest decrease in unemployment of all in the union.

## American Art Annual

**W**E note publication of *The American Art Annual*, a book of 680 pages, with 17 full page illustrations, issued by the American Federation of Arts. This is the only publication of its kind and ranks among the leading directories of American art activity. It contains information concerning all phases of art in the United States, the opening article—The Year in Art—gives a summary of the leading events in this field during the entire year.

With this issue *The American Art Annual* rounds out its eighteenth year, marked by an outstanding feature in the additional section, Who's Who in Art, a biographical directory of over 5,000 living American painters, sculptors and illustrators, writers, lecturers, a list which is unique and should be of

great service to those personally interested or financially concerned with art matters.

Of particular interest to collectors, museums, and dealers is the section devoted to auction sales of paintings, drawings, prints, and sculpture which contains a complete listing of items in these fields of art, with details as to artists, owners, purchasers, sizes, and prices brought.

The American Federation of Arts as part of its extensive work of spreading the knowledge of art throughout the country, besides issuing the publications mentioned, circulates from coast to coast over fifty exhibitions. These exhibitions cover a long list of subjects from oil paintings and landscape gardening to tapestry, brocades and wall paper.

# Taking Stock Of The Immigrant

*First review of the workings of the Dillingham law shows that 241,644 immigrants came in while 160,918 went out of the country; 88,579 non-immigrants came in and 109,413 went from these shores*

AS a merchant "takes stock" at recurring periods to ascertain the status of his business, so have the immigration authorities at Washington been "checking up" the inward and outward passenger movement at all ports of entry and departure, with a view to measuring the net results of this country's first year of restrictive immigration on the per centum basis.

The report of their findings will be read with interest wherever concern is felt for the nation's welfare, for the Dillingham act was an experiment arrived at for a post-war emergency, and the first fiscal year of the experiment is now drawing to a close. Congress has extended the law for two years. It limits immigration to 3 per cent a year of the nationals residing in this country by the census of 1910. Figures now available cover only a specified period—nine months of the first fiscal year, from July 1 to March 31.

Here are some of the interesting things the figures show:

For the period mentioned the total arrivals of all persons at all ports, immigrant aliens, non-immigrant aliens and citizens, numbered only 524,478. Total departures ran up to 488,639. The inward movement of passenger traffic was in excess of the outward movement only by the small

margin of 35,839. The total arrivals of all classes at all the gateways of the nation were less than the daily floating population of New York City, estimated at more than 700,000.

For the nine months named, 241,644 immigrant aliens were admitted to the United States, while 160,918 emigrant aliens went out of the country, a balance of 80,726, representing the excess of immigration over emigration. Of the non-immigrant alien class, 88,579 were admitted, while 109,413 went out of the country.

Figuring "by race or people" the computations of the immigration official tabulators show that the Jews led all other races or people with 43,728 admitted to the country during the nine months specified. The report further shows that only 607 emigrant Jews went out of the United States in that time.

From northern Italy 5,840 were admitted and from southern Italy 34,191, a total of 40,031 Italian immigrants. But the report shows that 44,082 emigrant aliens left the United States and

went back to Italy or 4,000 more than were admitted. The explanation for this lies in the fact that the Italians have always been inclined to go and come according to the times. That country has always encouraged its people in coming to America to catch American notions of thrift and profit by high wages when times were good here, but to return to Italy when industrial conditions in this country no longer justified their remaining.

The explanation of why so few Jews emigrated from the United States is furnished by the fact that they have not been welcome in many of the lands of Europe because of factional and post-war disorders, and this also explains why the largest number of immigrants coming to the United States have been Jews. Many of them who came here brought scars

## Aliens Who Entered The Country And Those Who Left

Race or people	Immigrants From July 1, 1921, to Mar. 31, 1922	Emigrants From July 1, 1921, to Mar. 31, 1922
African (black) .....	3,615	1,400
Armenian .....	2,165	194
Bohemian and Moravian (Szech) .....	2,979	3,485
Bulgarian, Serb., Montenegrin .....	1,333	5,025
Chinese .....	3,170	4,971
Croatian and Slovenian .....	3,699	3,699
Cuban .....	580	643
Dalmatian, Bosnian and Herzegovinian .....	258	414
Dutch and Flemish .....	2,935	1,680
East Indian .....	195	191
English .....	21,015	6,635
Finnish .....	1,833	941
French .....	9,569	2,237
German .....	23,332	4,157
Greek .....	3,728	6,286
Hebrew .....	43,728	607
Irish .....	11,189	1,663
Italian (north) .....	5,840	5,520
Italian (south) .....	34,191	38,562
Japanese .....	4,458	3,427
Corean .....	53	33
Lithuanian .....	1,133	3,721
Magyar (Hungarian) .....	5,925	3,904
Mexican .....	10,103	5,071
Pacific Islanders .....	6	3
Polish .....	6,051	26,819
Portuguese .....	1,689	5,144
Rumanian .....	1,457	3,772
Russian .....	1,710	2,344
Ruthenian (Russniak) .....	627	390
Scandinavian (Norwegians, Danes and Swedes) ..	11,112	3,087
Scotch .....	10,245	1,163
Slovak .....	5,910	2,459
Spanish .....	1,364	6,735
Spanish-American .....	1,026	1,390
Syrian .....	1,239	1,182
Turkish .....	34	219
Welsh .....	716	110
West Indian .....	693	638
Other peoples .....	659	997
Total .....	241,644	160,918

on their bodies from the pogroms of the Ukraine or other districts of the old Russia.

During the nine months covered by the report 9,630 aliens were excluded at the ports of entry and deported, 3,943 of these as likely to become public charges, 730 as illiterate, 553 as contract laborers and 1,250 in excess of quotas. More than 2,000 in excess of quota were admitted because of acknowledged "unusual hardships" inflicted by the mandatory exclusion law.

Under warrant 3,345 aliens who had already entered the country were arrested and sent out, the majority having become public charges or criminals.

Officials of the present administration at Washington are elated over the outcome of the first year's operation of the Dillingham law. Representative Albert Johnson, chairman of the Committee on Immigration and Naturalization, House of Representatives, inspected Ellis Island recently.

Here is what he said of his trip:

"In my opinion the act limiting immigration to 355,000 for the fiscal year ending June 30 came in the nick of time. It has saved the United States in that year from an influx of fully 1,500,000 immigrants at a time when we could neither assimilate nor employ them.

"Under the quota restrictions 230,537 were admitted to May 31, while about 2,787 were admitted temporarily for reasons of humanity and because of difficulties in getting the new law into operation, while 1,446 were turned back because of exhausted quotas. Debarred for all causes in eleven months were 11,066, which I believe is the record, and is still not enough. Too many diseased, demented and defective are being admitted.

"The law has been extended, and during the coming year will be rigidly enforced. I believe Congress would be justified in amending the law so as to give all countries a base quota of about 600, and in addition thereto not to exceed 2 per cent of the number of aliens in the United States as shown by the census of 1910. That would lessen the difficulties arising from small quotas now given to certain countries and would decrease the large quotas awarded to other countries.

"I believe that all quotas should consist only of persons eligible to citizenship under our present naturalization laws. An amendment to that effect would end the difficulties which arise from our 'gentleman's agreement' with Japan. There is no reason why we should admit to become residents of the United States persons who never can become citizens.

"Many persons wonder why the percentage restriction law has not been tightened up and made more binding. Some ask why Congress has not enacted a law completely suspending immigration for a period of years. Let me remind all of these questioners that it took more than twenty-five years of continuous effort to get a law even as restrictive as the three per cent act.

"Each and every bill designed really to restrict immigration passed by Senate and House from the first days of the administration of Grover Cleveland to the last days of Woodrow Wilson was vetoed for some reason or other—usually because the proposed law interfered with that nonsensical notion that the United States was always to be the asylum for the oppressed of the world.

"The 3 per cent act ended the asylum idea just in time to prevent the United States from becoming the almshouse of the world (run by its inmates) and I desire to give full credit to the members of the House Immigration Committee, of which I have the honor to be chairman, for sticking to the idea of restriction, and for forcing forward a bill which refused to die until it was superseded by the Dillingham act, which both houses passed and which President Harding signed.

"I hold the firm belief that the United States will never go back to any scheme that will welcome the uncouth millions of the four corners of the world to our young, new country, in which, with its billions of acres of land and resources yet untouched, fathers and mothers are even now lying awake nights wondering what is to become of their children."

Under the Dillingham act the gates of the United States are now closed and have been closed for several months to the following countries: All African lands, Atlantic Islands, Australia, Belgium, Bulgaria, Greece, Hungary, Italy, Jugo-Slavia, Luxembourg, other Asia, other Europe, Palestine, Poland, New Zealand, Roumania, Switzerland, Syria, Turkey and the Smyrna district.

Ellis Island is "all set" for the second year's enforcement of the 3 per cent law. The only material changes made in the law in its re-enactment for the next two years are these:

Steamship companies may be fined not less than \$200 for each alien brought to the United States in excess of the quotas, and may be made to refund to the alien the sum originally paid for his passage overseas, as well as transporting such alien at the company's expense back to his homeland if the Secretary of Labor is

not satisfied that such violation was unavoidable.

Instead of requiring a one-year residence in Canada or Mexico or neighboring territory before exemption from the quotas, the new law as extended requires a five-year residence in contiguous territory. Thousands of aliens are known to have come out of Europe and settled in Mexico and Canada during the first year's operation of the restrictive immigration law, hoping to cross the borders and establish themselves in the United States regardless of the quota law.

Here are the quotas for the next twelve months:

Country or Region of Birth	Number Admissible Annually
Albania .....	288
Armenia (Russian) .....	230
Austria .....	7,451
Belgium .....	1,563
Bulgaria .....	302
Czecho-Slovakia .....	14,357
Danzig, Free City of .....	301
Denmark .....	5,619
Finland .....	3,921
Fiume, Free State of .....	71
France .....	5,729
Germany .....	67,607
Greece .....	3,294
Hungary .....	5,638
Iceland .....	75
Italy .....	42,057
Luxembourg .....	92
Memel Region .....	150
Netherlands .....	3,607
Norway .....	12,202
Poland .....	21,076
Eastern Galicia .....	5,786
Pinsk Region .....	4,284
Portugal (including Azores and Madeira Islands) .....	2,465
Rumania .....	7,419
Bessarabian Region .....	2,792
Russia (European and Asiatic) Esthonian Region .....	21,613
Latvian Region .....	1,348
Lithuanian Region .....	1,540
Spain (including Canary Islands) .....	2,310
Sweden .....	912
Switzerland .....	20,042
United Kingdom .....	3,752
Jugo-Slavia .....	77,342
Other Europe (including An- dorra, Gibraltar, Malta, etc.) .....	6,426
Palestine .....	86
Syria .....	57
Turkey and Smyrna District .....	928
Other Asia (including Meso- potamia, Persia, etc.) .....	2,358
Africa .....	81
Atlantic Islands .....	122
Australia .....	121
New Zealand and Pacific Is- lands .....	279
Total .....	80
	357,803

# Good Free Employment Service

*Workings of the Illinois system, started in Chicago many years ago, are explained in detail to the Governmental Labor Officials at their convention, and provide proof of their effectiveness*

By CHARLES J. BOYD

General Superintendent, Illinois Free Employment Service

**W**HAT is characteristic of the Illinois Free Employment Service would be applicable, with perhaps some slight variations, to other states operating free employment offices, and for that reason I am confining myself to the methods used by the Illinois service.

It might be of interest, however, before going into a description of the methods used, to give a brief outline of the organization of the Employment Service in Illinois. The law creating free employment offices in Illinois was passed by the General Assembly in 1899, and provided that one office be established in each city having a population of not less than 50,000 and three in each city having a population of 1,000,000 or over. In accordance with the provisions of this Act, three offices were established in Chicago in 1899, and in 1901, an office was opened in Peoria.

In the year 1903, the Act creating free employment offices in Illinois was declared unconstitutional by the Supreme Court because of a clause it contained which provided that applicants could not be directed by our offices to places of employment where strikes or lockouts existed. The State Legislature was in session at the time the decision was handed down and met the situation by passing a new Act, May 11, 1903, eliminating the objectionable feature, substituting therefor a clause which read: "Full information shall be given applicants regarding the existence of any strike or lockout in the establishment of any employer securing workers from the Illinois Free Employment Office."

In 1907 an office was opened in the City of East St. Louis and in the year 1909 an office in Springfield.

The Legislature in 1913 further amended the law providing for free employment offices in two or more contiguous cities or towns having an aggregate or combined population of not less than 50,000, under the provisions of which an office was opened at Rock Island-Moline in October, 1913, and another at Rockford in November of the same year.

From May, 1918, to March, 1919,

the Illinois Free Employment Service was conducted in cooperation with the United States Employment Service, and under the plan of cooperation offices were established in a number of cities. After this agreement expired, the offices at Aurora, Bloomington, Danville, Decatur and Joliet were retained by the State of Illinois.

In the year 1921, an amendment to the Act was passed by the General Assembly which authorized the establishment of offices in each city, village or incorporated town with a population of not less than 25,000 or where two or more contiguous cities, villages or incorporated towns have an aggregate population of not less than 25,000 and under this Act an office was opened at Quincy in October, 1921, and another office in Cicero in February, 1922.

In connection with the Illinois Free Employment Service, a General Advisory Board was created by the Legislature in 1915, consisting of five members, of whom two are representatives of employers, two of organized labor and the fifth member representing the public.

Notwithstanding that the Board serves without compensation, aside from traveling and other necessary expenses incidental to their duties, they have on all occasions given generously of their time and energies in helping to promote the interests of the Service.

Their function, as outlined by the law is, among other things, to advise and cooperate with the General Superintendent in promoting the efficiency of the Service, to investigate the extent and cause of unemployment and remedies therefor, and to devise and adopt the most effectual means within their power to provide employment and to prevent distress and involuntary idleness. For this purpose they are empowered to cooperate with similar bureaus and commissions of other states, with the Federal Employment Office in the Department of Labor, and with such municipal bureaus and exchanges as are now in operation or may be created.

They are given an important part to perform in endeavoring to dovetail

industries by long-time contracts or otherwise, so that the supply of labor will be most effectually distributed and utilized and kept employed with the greatest possible constancy and regularity. They are empowered to devise plans of operation with this object in view, and shall seek to induce the organization of concerted movements in this direction, even to the enlisting of the aid of the Federal Government in extending these movements beyond the state.

As the activities of our Board may properly be classed among the methods used by state employment services, I think it would be well to here recount some of the more important of these.

Early in the summer of 1921, the barometer of industrial conditions caused us to view with alarm the steadily increasing number of applicants against the decreasing number of available opportunities and the situation was of such importance that it was deemed advisable to hold a conference with the General Advisory Board in order to cope with the situation. Director of Labor, George B. Arnold, State Superintendent, W. C. Lewman and myself met with the Board, and the consensus of opinion was that the volume of unemployment was greatly increased with the chances to tide over the period of industrial depression lessened. The conference, therefore, resolved to call a meeting which was held in the City Club of Chicago, August 8, 1921, invitations being sent to thirty organizations, including civic, social, industrial, financial, trade union, The American Legion and others interested in the unemployment problem.

At this conference attention was called to existing conditions and that sufficient warning had been given, as evidenced by the data compiled by the Illinois Free Employment Service, so that we should prepare to meet the emergency. A permanent organization was the result, and this was known as "The Chicago Conference on Unemployment" and an executive committee of fifteen selected.

Meetings of the conference were held from time to time and committees were appointed to consider the best method

of discouraging the influx of unemployed to Chicago, and to consult with authorities regarding such prevention. To consider what private and public work might be made available, to consider the lodging house situation and to consult with municipal authorities concerning municipal lodging houses, and a committee was also appointed to consider the question of raising funds from public and private sources to meet the added strain of relief demands during the winter.

These committees functioned very efficiently and a sum of money was raised to establish a special procurement bureau in the Chicago Division of the Illinois Free Employment Service, the activities of which were confined solely to the procuring of jobs. A canvass was made of the entire City of Chicago, and the Woman's City Club took an active part by forming district organizations where they maintained headquarters for the securing of jobs. The Bureau became operative November 29, 1921, and was discontinued April 1, 1922.

The activities of some of the other committees appointed by the Chicago Conference on Unemployment consisted of gathering data on public works and projects which might be speeded up in order to relieve the unemployment situation, and to give publicity to the matter. This publicity program informed the people of Chicago, including large industrial employers, employers of smaller numbers of workers down to the householder who had need of workers for odd jobs what the State Free Employment was and how to use it. Articles were prepared carrying to the specific constituency the kind of information thought to be the most beneficial and articles were also prepared for church bulletins, bulletins of civic clubs and organizations.

The churches of Chicago became interested and a Sunday was designated as "Unemployment Sunday" and special attention was called to the needs of the unemployed and the necessity of relieving the situation by having contemplated work or improvement done while there was such a need for jobs. In this appeal the facilities of the Illinois Free Employment Service was called to the attention of the people, as our organization is a public service and was recognized as the medium through which all jobs should be cleared and it was urged that all those who had work to be done should get in touch with our Service.

Early in the industrial depression the Chicago Association of Commerce organized a committee on unemployment and was very active in their efforts to help relieve the unemployment situation through the creation of

a sentiment whereby more jobs could be secured. They very generously carried a full page in their weekly publication advertising the Illinois Free Employment Service, urging their six thousand members to patronize our Service, displaying a facsimile of our employers order blanks requesting them to use this blank to turn in all known orders.

Uniformity in public employment organization is hardly to be expected as the laws creating these offices were enacted at different times and are the result of diversified opinions. There are, however, several things which all public employment offices should do in order to function in the most efficient manner, and one of the most important of these, in my opinion, is the necessity of knowing industry's requirements and keeping in touch with conditions surrounding it. It is essential that we familiarize ourselves with plant and working conditions, as quite often applicants will elect to accept work under favorable working and sanitary surroundings in lieu of a higher wage and less favorable conditions. Modern working conditions call for an environment of such a character that the worker may perform his duties to the best advantage, and in our organization it is the practice for placement clerks to visit industrial plants in order to find out these conditions and the needs of the employers. These visits are usually made at the end of the week when there are fewer applicants to be interviewed. Familiarity with the labor laws of the state is also essential in our work and these, as well as other matters of interest to the Service, are discussed at our regular monthly meeting of employees in order to keep abreast of the time.

I am sure you will be interested in knowing something of our central office in Chicago which occupies, with the exception of the first floor, the entire four-story building at 116 North Dearborn Street. This office is divided into three main departments—Men's, Women's and Administrative—which occupy the second, third and fourth floors, respectively.

In the Men's Department, we have the clerical, mechanical, building trades and maintenance, hotel and restaurant, janitors, porters and unskilled hotel help and miscellaneous. The Boys' division is segregated from the Men's in order to counteract any influence their associating with them would have which would be detrimental to their welfare.

We also have an agricultural division which is of more than ordinary importance and we have built up a large following among the farming interests. It is not unusual for us to receive calls

for help within a radius of 100 miles of Chicago, and during the harvest season we ship to the wheat fields of the Southwest, West and Northwest—in fact, at the beginning of the harvest we send persons to the Southwest who follow the season northward, working their way from Oklahoma to Kansas, on through Nebraska, South Dakota and other Northwestern wheat states.

In stimulating this work we employ various methods and in season circularize the farm district, using posters, etc., in an effort to render the maximum of service to the farming communities.

The handicapped division operated by our Service is one in which the human element enters into more than in any other division. Industry is prone to look unfavorably upon the employment of these unfortunate persons, and especially is this true since we have had such a large surplus of physically fit persons looking for jobs. However, by persistent efforts, we have gradually created a sentiment whereby we are able to take care of large numbers of these applicants. A great deal of patience is required to successfully handle work of this kind, but we are well satisfied with the co-operation received from all sources and point with pride to the work accomplished by this division.

The Women and Girls' Department handles clerical help, factory workers, hotel, restaurant, domestic and day-workers and the same practices prevail in this department as in the Men's, and each has a superintendent in charge with a sufficient number of placement clerk and others to handle the work.

In Chicago we also have a sub-office on the west side of the city which handles unskilled labor exclusively, and is situated in a locality where large numbers of transient labor congregate. This office enjoys a large patronage.

There is also an office located on the south side in the thickly populated colored district which specializes in the placement of both male and female colored persons. These offices, as well as the various divisions in our central office, are under the immediate supervision of a general superintendent.

#### BARS TEXTILE PICKETS

Complete victory for the cotton manufacturers' contention in the hotly fought Rhode Island injunction cases with regard to the textile strike in that section was reported when Judge Barrows of the Supreme Court of Rhode Island handed down a decision making permanent the anti-picketing injunctions respecting the Jenckes Spinning Company, the Crown Manufacturing Company and the Dexter Yarn Company.



# The Final St. Lawrence Report

*International Commission makes eleven recommendations, including an apportionment of the costs between United States and Canada; but the New York State Commission enters a most vigorous protest*

THE International Joint Commission on Boundary Waters, which is the body investigating the feasibility of the St. Lawrence waterway project, has given out for publication the final report and recommendation that it makes to the two Governments interested. These are embodied in recommendations, which are as follows:

"(1) That the Governments of the United States and Canada enter into an agreement by way of treaty for a scheme of improvement of the St. Lawrence River between Montreal and Lake Ontario.

"(2) That the new Welland Ship Canal be embodied in said scheme and treated as a part thereof.

"(3) That the proposed works between Montreal and Lake Ontario be based upon the report of the engineering board accompanying this report, but that before any final decision is reached the report of the board, together with such comments, criticisms and alternative plans as have been filed with the commission, be referred back to the board enlarged by other leading members of the engineering profession, to the end that the whole question be given that further and complete study that its magnitude and importance demand, and that after completion the administrative features of the improvement be carried out as set forth in recommendations 7 and 8 hereof.

"(4) That there shall be an exhaustive investigation of the extent and character of the damage through flowage involved in the plan of development finally adopted.

"(5) That, assuming the adoption of the plans of the engineering board, or of other plans also involving a readjustment of the international boundary, in order to bring each of the power houses on its own side of the boundary, appropriate steps be taken to transfer to one country or the other, as the case may be, the slight acreage of submerged land involved.

"(6) That Canada proceed with the works necessary for the completion of said new Welland Ship Canal in accordance with the plans already decided upon by that country.

"(7) That such 'navigation works' as do not lie wholly within one country, or are not capable of economic and efficient construction, maintenance and operation within one country as complete and independent units, be maintained and operated by a board hereinafter called the International Board, on which each country shall have equal representation.

"(8) That such 'navigation works' as lie wholly within one country and are capable of economic and efficient construction, maintenance and operation by the country in which they are located, with the right of inspection by an international board to insure economy and efficiency.

"(9) That 'power works' be built, installed, and operated by and at the expense of the country in which they are located.

"(10) That, except as set forth in recommendation (11), the cost of all 'navigation works' be apportioned between the two countries on the basis of the benefits each will receive from the new waterway—provided, that during the period ending five years after completion of the works—and to be known as the construction period—the ratio fixing the amount chargeable to each country shall be determined upon certain known factors, such as the developed resources and foreign and coastwise trade of each country within the territory economically tributary to the proposed waterway, and that that ratio shall be adjusted every five years thereafter, and based upon the freight tonnage of each country actually using the waterway during the previous five-year period.

"(11) That the cost of 'navigation works' for the combined use of navigation and power over and above the cost of work necessary for navigation alone should be apportioned equally between the two countries."

The favorable report on the plan by the international commission is the subject of much criticism on the part of the State Commission in opposition to the St. Lawrence Ship Canal and Power Project, which has just issued its third report of progress in the work of combating the St. Lawrence plan. This report states that but scanty con-

sideration has been given to the mass of evidence, comments, criticism, and alternative plans that were brought out at the hearings at Ottawa and other places.

However, gratification is expressed with subdivision three of the recommendations of the International Commission, which calls for further investigation. Commenting upon this, the oppositional commission's report states, "It thus appears that the project as recommended by Colonel W. P. Wooten of the Corps of Engineers of the United States and W. A. Bowden, Chief Engineer of the Department of Railways and Canals of the Canadian Government, is not to be undertaken without further and complete study by leading members of the engineering profession, who are expected to give consideration to the comments, criticisms and alternative plans that were filed with the International Joint Commission. That may involve reinvestigation of the entire project de novo for, as already stated, it will be shown by such expert engineers as Colonel Hugh L. Cooper and by men less notable than Colonel Cooper, familiar with various phases of the subject, that the plans outlined by the engineers could not be carried to completion without a much larger expenditure of moneys than estimated, and the structures, if built as proposed by the engineers, might be carried out by the first downflow of ice in the St. Lawrence River."

## BIG HUDSON MOTOR SURPLUS

The report of the Hudson Motor Car Company for the six months ended May 31, as submitted to the New York Stock Exchange, shows net income of \$3,024,623 after charges, but before taxes. After deductions of Federal taxes estimated at \$288,000, the balance of income amounted to \$2,736,623.

Gross profits for the six months were \$4,820,789 and other income \$329,030. Expenses totaled \$1,433,244, depreciation \$533,092 and interest \$148,860. For dividends \$560,994 was disbursed, leaving a surplus for the half year period of \$2,175,629.

# Saving \$100,000,000 A Year

THE latest reports submitted to the Bureau of the Budget indicate that the expenditures of the Government for 1922 will run \$100,000,000 to \$150,000,000 less than estimated by Director Charles G. Dawes.

General Dawes declared at that time the budget believed the cost of government would be approximately \$1,600,000,000 less than for 1921. However, it was learned the director now is confident the reduction will be at least \$1,700,000,000 and perhaps \$1,750,000,000 less than the total expenditures for the last fiscal year.

It was pointed out that the statement of the condition of the Treasury on June 9 showed that the departments had expended \$3,523,136,678, as against \$5,138,806,937 on the same day of last year. Figuring in the prospective expenditures of \$259,000,000 before July 1, which includes the third deficiency appropriation bill, it is not thought that the Government will require a total of more than \$3,782,000,000.

Announcement was made that the comptroller general, J. R. McCart, with the beginning of the new year, would institute a new system of accounting that will make it possible for the United States for the first time to segregate expenditures and thus reflect just what the government costs the people. Departmental balance sheets will be instituted on that date. The Shipping Board has led the way and the post office department has advised the Bureau of the Budget that it will file the same statement. The capital items will be estimated it was stated, so that it will be possible for the department to state what valuation it places upon Federal property. The Department of the Interior will estimate the value of the forest areas, oil lands and various mineral properties, which are owned by the government.

In this way, it is planned to divide the expenditures of the government so that current business will not be affected.

An interesting comparison is to be made by the Bureau of the Budget. In former years, before the imposition of executive pressure on appropriations was applied, the expenditures during the last month of the fiscal year ran exceedingly heavy. By virtue of the reserves, which the budget required to be set up, it is understood that the expenditures will not be more than those of any other month. However, this is one development which is to come.

Even if the 1922 expenditures do run \$170,000,000 less than estimated in May, the United States under the estimates of incoming revenues and expenditures will face a deficit for 1923 of at least \$100,000,000. The most recent reports to the Treasury indicate a deficit of \$50,000,000, not taking into account any change in the May estimates of the budget bureau. Secretary Mellon, however, has not made a fresh estimate and has not recommended the levying of any additional taxes.

## All Railroads Told To Install Safety Devices

After fourteen years of study, experiment, discussion and dissension the Interstate Commerce Commission has just taken the first positive step toward installation of automatic train control devices on all railroads of the United States.

The Commission issued an order requiring forty-nine of the largest roads to proceed as expeditiously as possible toward installation of automatic train controls on at least one passenger division.

All of the railroads out of New York are affected by the order, and in many cases the automatic train controls are to be installed on divisions out of New York City, although such work was protested by the railroads.

All trackage on four, eight or even ten track lines must be equipped with automatic controls in many cases to supplement the block signal system. Every locomotive entering the division selected for the improvement must likewise be equipped.

Under the law the railroad must have two years' notice. The Commission has given them until January 21, 1925, to complete the work regarded as contributing to, if not essential toward, the safety of passengers and train operatives in the United States.

The railroads are given until January 1, next, to report to the Commission the device or system selected. Thereafter they must report each month on the progress of the work of installation.

In last January the Interstate Commerce Commission issued an order upon the forty-nine railroads named today to show cause why installation should not be made. Hearings were held in the spring. The railroads advanced many reasons against installation. They urged that the devices should be further tested and one finally selected and made standard. The New York Central, among others, was unwilling to install electrical devices on trackage out of New York because of difficulties involved with third rail electric trains. Roads using the same trackage could not get together.

Inventors and makers of automatic control devices nearly swamped the Commission with arguments for immediate and general installation of control devices.

The order issued by the Commission provides for installation on forty-nine divisions averaging 100 miles each, a total of nearly 5,000 miles of single track road. Many of the divisions, however, are heavy traffic ones and quite a number are four-track lines, which will greatly increase the total.

## NORWAY LOOKING UP

"Things are apparently beginning to look up over here in Norway at any rate," writes a correspondent of the National Association of Manufacturers. "The recent rise of the Norwegian krone is attributed to the fact that the Norwegian ship owners have now paid off most of their liabilities in England in connection with the shipbuilding and cancellation of contracts. The latter item particularly caused a heavy loss to many Norwegian ship owners and took away a lot of the profits made during the fat years. Stocks are about exhausted now and will have to be renewed, which means that our merchant fleet, which has been laid up to a great extent, will again find employment. We are shipping a lot of timber, fertilizers, etc., just now and the outlook is much brighter here than for some time past. Now that the American dollar is declining slightly there should be a good chance to do business in American goods in Europe."

## PERUVIAN BANK WANTS LITERATURE

The Banco Italiana of Lima, Peru, is desirous of building up a catalog library of American manufacturers of all classes of goods. They are interested in receiving catalogs and other printed literature from manufacturers.

# Judge Gary On Trade Conscience

*Steel Company chairman declares there has been a decided change in the standards and conduct of business within the last twenty years; that things affecting the public must bow to public opinion*

**J**UDGE ELBERT H. GARY, Chairman of the United States Steel Corporation, in an address before the Alumni Association of Northwestern University, on "Ethics in Business," said in part:

"It may be asserted with absolute confidence that within the last twenty years or more there has been a decided change in the standards and conduct of business.

"The large majority of business men now conduct their affairs in accordance with the avowed belief that right is superior to might; that morality is on a par with legality and that the observance of both is essential to worthy achievement; that the rights of customers must always be respected; that employees are associates rather than servants and should be treated accordingly; that stockholders of corporations, as well as all partners, are entitled to any information immediately upon receipt of the same by any officer or partner, so that under no circumstances can there be preferential rights or opportunities; that destructive competition must give way to humane competition; and that full and prompt publicity of all facts involving the public is demanded.

"Public opinion has aroused and will always arouse the consciences of men and women. We cannot sleep or eat well, and we cannot for long enjoy life in the face of the opposing will of the majority, and this is true of most persons, including the vicious and depraved. We dread the condemnation of the general public, especially if there is reason for it.

"We object to fulsome praise, even from our best friends, but we shrink and suffer from deserved adverse criticism. This natural instinct in the hearts of well intentioned men and women has had a decided influence in reforming business methods.

"But it may be added with propriety that many self-appointed and self-styled reformers, who never took any interest or action in regard to business or its reformation until long after it was voluntarily reforming itself, have been conspicuous in claiming credit. They represented hypocrisy in masquerade. They were Pharisees offering prayer on the public streets.

"There is another convincing reason for the noticeable changes resulting

from the adoption of ethics in business. Ethical management brings additional profits. Sooner or later it pays in dollars and cents. Any man or concern that firmly establishes a reputation for honesty and fair dealing which is not questioned has a business asset of great pecuniary value and profit.

"Conscientious treatment of employees which secures their respect and confidence will tend to increase their loyalty and efficiency. Provision for their comfort and happiness results in steady and painstaking effort, incites them to take a personal interest in their work, and gives them assurance that their future faithfulness will be appreciated and rewarded. In every particular a contented workman is far superior to one who is dissatisfied.

"One corporation alone during the last ten years has appropriated nearly \$100,000,000 for welfare work in behalf of employees. These expenditures have been profitable.

"If by honesty and fair treatment we satisfy our patrons they will show it in all their dealings.

"From considerable experience I as-

sert with confidence and emphasis that, taken as a whole, year after year, the pecuniary gains of a large or small business will be greater if it is fairly, humanely and honestly conducted. If this be true it furnishes a logic to everyone which should be conclusive.

"The approval of the general public up to the limit of propriety is of especial advantage to the business man in every phase of his operations. It is an influence which is realized more clearly than words can specify.

"But perhaps best of all, if the business man's conduct is sincerely believed by himself to be honest and proper, he will have the courage and strength to stand solid and immovable against any unworthy attack by the unscrupulous concerning his management.

"In times of dissensions, coming from any source, such a man can be courageous and patient while waiting for development of all the facts and the rendition of a fair and proper conclusion by all concerned. A clear conscience is a strong weapon of defense in times of ruthless assault, which is liable to be made upon any individual or enterprise."

## Radio Versus Cables

**T**HE day is fairly near when the submarine cable will be added to the junk pile of discovery and invention, its place taken by the wireless which will loop the whole earth in a flash and cheaply enough for anybody's pocket.

So says Marconi, pioneer of wireless, as he comes to the United States once more to demonstrate to our electrical engineers some of the new instruments he has perfected for high speed sending and receiving, for vastly lengthening the projection of the human mind and, perhaps most important of all, for exorcising that special devil of the wireless craft, static.

It is an extremely practical and an entirely scientific and matter-of-fact Marconi who returns to a radio hungry country to tell of new marvels of electricity. He looks about as much like an inventor, anyway, as does President Harding or J. P. Morgan; more resembling a lawyer, banker or editor, than the creator that he is.

Nor does he look as if he had wasted time worth about a thousand dollars an hour, as nearly as it can be calculated, in trying to get the ear of the switchboard on Mars. Such romantic tinkering Guglielmo Marconi leaves to that excellent Flammarion, he tells one. He himself is much too busy with the earth and its fifty mile thick air envelope, he laughs, to go prowling about in the unexplored ether of the infinite.

Mention of Mars causes a smile to flicker over Marconi's amiable face—to be followed almost immediately by the puckered brow of perplexity. A smile at the notion of his having seriously tried to flash a message to the red planet, or to receive one; a frown at the recollection of that 150,000 meter phenomenon which stumps him to this day and which occasionally steals his mind from concentration, try as he will, for there is the dreamer deep in Marconi, as there has been in every great inventor that ever lived.

# Corn Cobs To Run Your Motor

**R** ESEARCH work by chemists of the Department of Agriculture during a period of six years has resulted in the production from corn cob of low priced substitutes for a wide variety of hard rubber and synthetic rosin products, as well as a possible new motor fuel supply, according to an announcement by the Department. The new discovery, it further declared, would provide a good market for waste farm by-products, conserve the native supply of methanol (wood alcohol) and the forest products, particularly hard woods, used in the manufacture of methanol.

Results of the experiments were announced through the American Chemi-

cal Society by Dr. W. W. Skinner, assistant chief of the Bureau of Chemistry, and Dr. Frederic B. La Forge and Gerald H. Mains, also attached to the Bureau, are credited with having made the successful experiments. What was described as "the achievement" consists, it was explained, in the perfection of methods for producing a chemical compound known as furfural at a low price and by a simple process from corn cobs. This new compound, it was said, had been tried successfully as a fuel in an automobile engine. Dr. La Forge averred it would explode under normal motor conditions, but because of its high boiling point it could not be used with the type of carburetor

we are accustomed to using for gasoline.

The compound, the chemists explained, was made by placing corn cobs with some water in a pressure cooker with a steam pressure of about 135 pounds. After cooking for about two hours the furfural is blown off with steam, passed through a condenser and collected as a solution of furfural in water. This solution the experts said, is then distilled in a special apparatus for the separation of the furfural from the water. Plans were said to be under way for the erection of a commercial plant to utilize the new process at some point in the corn belt where raw materials are close at hand.

## Record Demand For Automobiles

**N** OTHING more clearly indicates the increasing demand for the transportation of persons and merchandise than the record production of motor cars and trucks as reported to the annual meeting of the National Automobile Chamber of Commerce in New York.

The May shipments, with a few companies still to be heard from, were in excess of 252,000 passenger cars and trucks, an increase of 53 per cent over May of last year and 15 per cent over April of this year. The heaviest previous production in the industry

was 220,000 in March, 1920.

Reports received at the meeting, attended by more than 100 motor vehicle manufacturers and presided over by President Charles Clifton, showed an increasing demand for motors in practically every part of the country except Maine and Georgia. Many of the agricultural states are showing substantial increases over last year with excellent prospects in June for cars and trucks.

It was shown that the April exports of passenger cars gained more than 49 per cent over March, while the

exports of trucks increased 44 per cent. These products went to 114 different countries.

The meeting discussed a broadening of its campaigns for the prevention of accidents, more standardization in motor cars that will make for lower production costs, continued research in motor fuel matters, standardized and better service for users, a demand for stronger enforcement of motor vehicle laws in preference to putting more laws on the books, and plans for assuring efficient expenditure of highway funds.

## Special Studies Of Wood

**T** HE conditioning, finishing, and protection of wood will be the subject of experiment and investigation at the Forest Products Laboratory, according to plans made at a conference held at Madison, Wis., May 3 by men representing seven national wood-using associations and several major industrial fields.

A temporary organization of which Wm. B. Baker, Secretary of The Association of Wood-Using Industries is Chairman, was formed to devise ways and means to carry out the proposed investigation and to form a permanent organization by July 1. It is expected that furniture, automotive, and farm implement industries will be materially interested, for the study

will be conditioning of wood and wood surfaces and the application of protective coatings for prolonging the life of wooden structures and articles fabricated of wood.

Following are the representatives of the various organizations who consulted with Carlile P. Winslow, Director of the Laboratory, and George M. Hunt, Section of Preservation, in which the study will be made:

Wm. B. Baker, Secretary, Association of Wood-Using Industries, Chicago.

W. A. Babbitt, Secretary, National Association of Wood Turners, South Bend, Indiana.

E. E. Parsonage, President, Asso-

ciation of Wood-Using Industries, Moline, Illinois, President, Deere & Company.

Dr. A. H. Sabin, Consulting Chemist, National Lead Company, New York City.

A. D. Flinn, Secretary, Engineering Foundation, New York City.

John Jager, Minneapolis, Minnesota. American Institute of Architects.

Walter A. Schmidt, Grand Rapids, Michigan, Consulting Engineer, furniture trade journals.

Arthur Peabody, State Architect, Madison, Wisconsin.

P. R. Hicks, Secretary, Service Bureau, American Wood Preservers' Association, Chicago, Illinois.

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## The Pan-Pacific Conference

*Will be held in Honolulu from October 25, to November 8, and  
great preparations are being made for wide discussion of commercial  
and economic matters of interest to all lands in the Pacific area*

**T**HE Pan-Pacific Union has transmitted through the State Department an invitation to the governments of Pacific lands to appoint delegates to the Pan-Pacific Commercial Conference in Honolulu, October 25th to November 8th, 1922.

Although this conference is not under the auspices of the Government, and the Pan-Pacific Union not an official body, the Union frequently gathers together the key men of the Pacific in various lines of thought and action, for better acquaintance and friendly coöperation. The heads of practically all the Pacific lands have accepted honorary Presidency of the Pan-Pacific Union, and many of the Pacific Governments have made appropriations toward its support in bringing together for discussion and action the leading scientists, educators, pressmen, financiers and commercial men of Pacific lands.

The late Franklin K. Lane, while Secretary of the Interior, accepted the chairmanship of this conference of the key men of the Pacific in matters of commerce and finance, such a conference at the ocean crossroads having been suggested by Thomas F. Lamont, of Morgan & Co., and by Viscount Shibuzawa, the merchant king of Japan.

The agenda of the Pan-Pacific Commercial Conference was drawn up in Washington during the great conference last winter by some of the delegates from Pacific lands, by representatives of the Department of Commerce and the U. S. Chamber of Commerce.

The delegates from the two Americas will sail from San Francisco on October the 18th, having a ship to themselves. The delegates from the Philippines, Java, Siam, China, Japan, and Siberia will sail from Yokohama, October the 12th.

Wallace Alexander, president of the San Francisco Chamber of Commerce, has appointed a committee to coöperate with the other coast chambers in securing thirty-five leading commercial and financial men to represent the Pacific coast region. Prominent financiers in New York and the East are gathering as many delegates from the rest of the country, as it is intended to limit the number of delegates to seventy-five from the Americas and as many more from the rest of the Pacific. These will meet daily at conference and entertainment in Hawaii until the entire group is assimilated.

Prince I. Tokugawa, head of the Pan-Pacific Union work in Japan, and Viscount Shibuzawa, have given assurances of a strong delegation from Dai Nippon. Canada and Australia have already appointed official delegates, and it is expected that China will be well represented.

Out of this conference it is expected will develop a permanent organization of the key men of the Pacific who, learning to know each other personally, will lead in laying the foundation for better commercial understandings in the Pacific area and real international coöperation in business affairs.

The chief topics to be discussed at

the conference are "Significant Pan-Pacific Commercial Problems," "Communication and Transportation," "Development and Conservation of Natural Resources," "Finance and Investments," "Inter-nation Relations in the Pacific Area," and "Arbitration of Commercial Misunderstandings."

It is expected that the American delegation will sail in a body from San Francisco on the Matson liner *Mau*i about 10 a. m., Wednesday, October 18. The San Francisco Chamber of Commerce will secure reservations for delegates.

The agenda of the Conference follows:

Opening Day—Wednesday, October 25

General Topic—Significant Pan-Pacific Commercial Problems of My Country. (One speaker from each country to give a brief paper.)

Second Day—Thursday, October 26

General Topic—Communication and Transportation. 1. Survey of existing cable and wireless facilities with suggestions for meeting present deficiencies. 2. Establishment of lower special rates, fixing responsibility and granting general improved facilities for the press. 3. An analysis of present trade routes and the development of possible new routes. 4. Desirability of free zones or free ports in Pacific lands.

Third Day—Friday, October 27

General Topic—Development and conservation of natural resources. 1. Methods to be employed in saving the Pan-Pacific fisheries. 2. Development of Pan-Pacific fuel resources in



order to provide for future expansion of Pacific industry and transportation.

3. Steps to be taken toward prevention of crises in the world rice and sugar situation.

Fourth Day—Monday, October 30

General Topic—Finance and Investments. 1. Measures to be followed for relieving exchange difficulties. 2. The need for greater uniformity in bills of exchange and other commercial documents. 3. Terms of credit in Pan-Pacific area as an aid to foreign trade. 4. Standardization of trade certificates. How to insure reliability.

Fifth Day—Tuesday, October 31

(Last Session)

General Topic—Inter-nation relations in the Pan-Pacific area. 1. Arbitration of commercial misunderstandings. 2. The need for coöperation among the various agencies interested in Pan-Pacific problems. 3. Reports of special committees. 4. Resolutions including recommendations for legislation.

The following program of entertainment has been provided:

Tuesday—October 24

Reception at wharf, autos provided by trustees of Union and their friends. Lunch with individual citizens or at Moana. Surfing in the afternoon.

Evening: Pan-Pacific Union welcoming dinner at hotel.

Wednesday—October 25

Morning: Session at the Palace. Noon: Lunch at Ad Club. Afternoon: Session at the Palace.

Thursday—October 26

Morning: Session at the Palace. Lunch: Rotary Club. Afternoon: Session at the Palace.

Evening: Dinner with the Chinese merchants.

Friday—October 27

Morning: Session at the Palace. Noon: Lunch with Hawaiian Club. Afternoon: Session at the Palace.

Saturday—October 28

Trip around the Island. Autos from Auto Club. Lunch at Haleiwa by the Chamber of Commerce. Reception at Leilehua.

Evening: Dinner with the Japanese merchants.

Sunday—October 29

Pan-Pacific Service at church or rest.

Monday—October 30

Session at Palace in Morning. Noon: Lunch with citizens or at University, Commercial and Pacific Clubs, with individual members. Afternoon: Session at Palace.

Tuesday—October 31

Morning: Business session at Palace. Afternoon and evening free.

Wednesday—November 1

Sail 10 a. m. for Hilo and the Volcano.

Thursday—November 2

Morning, arrive Hilo, visit Volcano.

Friday—November 3

Morning, sail from Hilo for Honolulu.

Saturday—November 4

Arrive Honolulu a. m. Shopping.

Monday—November 6

Visit Pineapple and Sugar Plantations guests of H. S. P. A. and Pineapple Association.

Tuesday—November 7

Guests of Banks and friends.

Wednesday—November 8

Sail for San Francisco.

The Pan-Pacific Union is an organization representing Governments of Pacific lands, with which are affiliated Chambers of Commerce and kindred bodies, working for the advancement of Pacific States and Communities, and for a greater coöperation among and between the people of all races in Pacific lands. Its central office is in Honolulu at the ocean crossroads.

The Pan-Pacific Union is incorporated with an International Board of Trustees, representing every race and nation of the Pacific.

The trustees may be added to or replaced by appointed representatives of the different countries coöperating in the Pan-Pacific Union. The following are the main objects set forth in the charter of the Pan-Pacific Union:

1. To call in conference delegates from all Pacific peoples for the purpose of discussing and furthering the interests common to Pacific nations.

2. To maintain in Hawaii and other Pacific lands bureaus of information and education concerning matters of interest to the people of the Pacific, and to disseminate to the world information of every kind of progress and opportunity in Pacific lands, and to promote the comfort and interests of all visitors.

3. To aid and assist those in all Pacific communities to better understand each other, and to work together for the furtherance of the best interests of the land of their adoption, and, through them, to spread abroad about the Pacific the friendly spirit of interracial coöperation.

4. To assist and to aid the different races of the Pacific to coöperate in local fairs, to raise produce, and to create home manufactured goods.

5. To own real estate, erect buildings needed for housing exhibits; provided and maintained by the respective local committees.

6. To maintain a Pan-Pacific Commercial Museum and Art Gallery.

7. To create dioramas, gather exhibits, books and other Pan-Pacific material of educational or instructive value.

8. To promote and conduct a Pan-Pacific Exposition of the handicrafts of the Pacific peoples, of their works of art, and scenic dioramas of the most beautiful bits of Pacific lands, or illustrating great Pacific industries.

9. To establish and maintain a permanent college and "clearing house" of information (printed and otherwise) concerning the lands, commerce, peoples, and trade opportunities in countries of the Pacific, creating libraries of commercial knowledge, and training men in this commercial knowledge of Pacific lands.

10. To secure the coöperation and support of Federal and State Governments, chambers of commerce, city governments, and of individuals.

11. To enlist for this work of publicity in behalf of Alaska, the Territory of Hawaii, and the Philippines, Federal aid and financial support, as well as similar coöperation and support from all Pacific governments.

12. To bring all nations and peoples about the Pacific Ocean into closer friendly and commercial contact and relationship.

President—Hon. Wallace R. Farrington, Governor of Hawaii.

Director—Alexander Hume Ford, Honolulu.

Executive Secretary—Dr. Frank F. Bunker, Honolulu.

#### *Honorary Presidents*

Warren G. Harding, President of United States.

William M. Hughes, Prime Minister, Australia.

W. F. Massey, Prime Minister, New Zealand.

Hsu Shih-Chang, President of China.

Arthur Meighen, Premier of Canada.

Prince I. Tokugawa, President House of Peers, Tokyo.

His Majesty, Rama VI, King of Siam.

#### *Honorary Vice-Presidents*

Charles Evans Hughes, Secretary of State, U. S. A.

Woodrow Wilson, Ex-President of United States.

Dr. L. S. Rowe, Director-General Pan-American Union.

Yeh Kung Cho, Minister of Communication, China.

Leonard Wood, Governor-General of the Philippines.

The Governors-General of Alaska and Java.

The Premiers of Australian States.

John Oliver, The Premier of British Columbia.

# Wu Ting-Fang In The U. S.

**I**N addition to their keen general interest in Chinese affairs, members of the National Association of Manufacturers will now have a special personal interest in following the policies and activities of the Chinese government from the fact that a gentleman, twice an honored guest of the Association at its annual banquets (1900 and 1908), namely the former Chinese minister to the United States, Wu Ting-fang, has been appointed Premier by the new

president, Li Yuan-hung, according to cable dispatches from Peking. President Li was deposed by the militarists in 1917 and is reported to have come from Tientsin on invitation to succeed Hsa Shih-chang, resigned.

Wu Ting-fang since 1917 has been one of the strongest supporters of the government of South China at Canton against what has been termed the militarism of the north. Apparently these changes would point to unification of

Chinese parties, or at least a general understanding to recognize one central government, which if so should go far towards bringing about that political stability in China so necessary to the development of the country's resources and its commercial progress.

In case Mr. Wu does not accept, W. W. Yen is expected to take the position of Premier, otherwise Mr. Yen will no doubt retain his present position as Minister of Foreign Affairs.

## Meeting Industry's Problems

**S**ECRETARY OF COMMERCE HOOVER in opening the organization meeting of the American Construction Council told the two hundred representatives in attendance that the bringing of all representatives of the construction industry together for the purpose of organization was the most important step the industry has taken in its history. He said that "if we would stem the tide tending to refer every little need and complaint to government action to meet these demands must arise from within the industry itself.

Among the subjects suggested by Secretary Hoover for the consideration of the council were standardization of grades, inspection of, and simplification of dimensions of construction materials, the collection of statistics, the encouragement of home building, zoning, proper building codes, seasonal and intermittent employment, jurisdictional disputes, apprenticeship, vocational training and in general the elimination of unnecessary speculation and the better functioning of industry in regard to our national needs.

A warning against "an intense stratification of the various economic interests in our national life," which lead to selfish aims and purposes, was voiced by Willis H. Booth, vice-president of the Guaranty Trust Company of New York, in following Secretary Hoover. If the public confidence is to be gained the aims and purposes of the council must square and comport itself entirely with the best public judgment, he said, illustrating his point by saying "if we can surround the construction industry with a feeling of stability we immediately add to its ability to secure credit."

Following the opening addresses, five-minute responses were made by nine delegates. The afternoon and

evening sessions were devoted to the report of the operating committee on organization, by General R. C. Marshall, Jr., general manager of the Associated General Contractors of America, a discussion of the proposed by-laws by the ten major groups representing all elements in the industry, into which the council had been divided, and the election of the executive board.

Two hundred representatives of every element of the industry were in attendance at the meeting, including architects, engineers, general contractors, sub-contractors, labor, manufacturers, dealers, bankers, insurance and bond interests, public utility corporations; State, Federal, county and municipal construction departments.

*(Continued from page 11.)*

of the Manhattan and other congested waterfronts.

7. Dredging of channels to every part of the Port's waterfront in keeping with the volume and character of the water-borne commerce seeking to use them, and removal or modification of bridges obstructing the channels.

8. Provision of suitable highway access to every part of the Port's waterfront.

9. Construction of additional terminals for the New York Barge Canal.

10. Wider installation of judiciously selected freight-handling machinery.

11. Creation of bunkering facilities and fuel reserves for steamships.

12. Erection of grain elevators for joint use of New Jersey railroads and New York Barge Canal at a southern terminus of the outer belt line and at Piermont, and early completion of the Barge Canal elevator authorized at Gowanus Bay.

13. Provision of better facilities for handling building materials.

14. Zoning of steamship terminals by trade routes as far as practicable.

15. Establishment of free ports.

16. Obtaining of immediate partial relief from present oppressive terminal conditions through

(a) Consolidation of marine equipment and service;

(b) Inauguration of voluntary store-door delivery by an organized motor-truck medium.

### GERMAN IMPORTS

A regulation recently put into force in Germany, we are informed by our offices in that country, says the American Express Company, provides that goods which have once entered Germany without an import license cannot be removed, but will be confiscated. This regulation concerns shipments arriving by rail from foreign countries, via points or ports having no free harbor.

Goods arriving by sea at Bremen and Hamburg are automatically landed in the Free Harbor. Rail shipments arriving via Bremen or Hamburg can be transferred to the Free Harbor at those ports and later re-exported without license, should import license finally be refused by the German Government.

Because of the above ruling, it is most important that shipments stored in the Free Harbor should not be ordered forward to an interior point until an import license has been obtained.

### SHIPMENTS TO ARGENTINA

The Bureau of Foreign and Domestic Commerce reports that the Argentine Federal Courts have declared null and void any clause in bills of lading or freight contracts which provides for jurisdiction of other than Argentine courts in disputes concerning shipments to Argentina.

# U. S. And Indian Jute Crop

*Two large American companies, the world's leading manufacturers of cotton bagging, are now erecting mills in India and have shipped part of their machinery formerly operated in this country*

**I**MPORTS of burlap, which is used chiefly for bags and wrappers, as a backing for linoleum, and as paddings in coats, are far greater in value than imports of any other textile. In 1920 about 1,065,000,000 yards of burlap, valued at \$88,896,000 were imported, while the total imports of wool manufactures in the same year were valued at \$51,453,000 and of countable cotton cloth at \$44,913,000 says a report on jute cloth by the United States Tariff Commission.

The only type of jute cloth produced in the United States is the heavy coarse wrapping, known as cotton bagging, used for covering raw cotton. About 90,000,000 yards of bagging are required annually to cover the American cotton crop. Practically all of the new cotton bagging consumed in this country is supplied by two American companies, which are the world's leading manufacturers of this article. Because the strong organization of these companies, and their long prominence in the field, the volume of imports is small.

The United States, however, is about to lose its bagging industry. The two domestic companies are now erecting bagging mills in India, and have shipped abroad part of the bagging machinery formerly operated in this country.

The United States is the world's greatest consumer of burlap, importing about 260,000 tons of fabric yearly. Notwithstanding the tremendous demand, which has more than trebled in the last twenty years, the domestic production of burlap has been insignificant.

The United States now receives about 93 per cent of its supply of burlap from Calcutta, India. Calcutta produces about one-half of the world's consumption of jute fabrics and bags, which in recent years have been India's leading export. In 1921, exports of Indian burlap and jute bags amounted to 829,000 tons valued at \$171,291,000. Such shipments made up 22 per cent of the value of all Indian merchandise shipped overseas in 1921, and about 60 per cent of exports of manufactured articles.

Calcutta owes her dominant position to her ability to manufacture burlap at a price so low that no country can compete except by means of a very

high tariff. The average price per yard of burlap shipped from Calcutta to the United States before the war was about 2.75 cents and in 1920 about 4 cents. The production of raw jute is confined to India; the crop averages

yearly about 8,000,000 bales of 400 pounds each. This monopoly of the raw material, close proximity of centers of production to centers of manufacture, and low labor costs are India's leading advantages.

## Cotton Famine Expected

**L**EADING English cotton authorities anticipate a serious cotton famine within a year and are quietly accumulating supplies, according to J. S. Wannamaker, president of the American Cotton Association.

"Through confidential sources," says Mr. Wannamaker, "it is learned that the English have been quietly accumulating American cotton for quite some time and that the cotton consuming world is entirely ignorant of the amount of cotton secured by England, as they have been basing their judgment on the exports and not posted as to the amount of cotton that had been purchased and is still being purchased at the various concentration points and left in storage. An investigation as to the correctness of this and the reason for this action on the part of the shrewd English buyers conducted abroad through confidential sources absolutely verifies the correctness of this fact and also brings to light the following information:

"The leading English cotton authorities and business men are fully convinced that we are on the eve of a great trade revival; that the world is facing one of the most acute cotton famines that has ever existed; that this famine is an absolute certainty within twelve months, and before the 1923 cotton crop can reach the market the matter of sufficient supplies of raw cotton will be of supreme concern to the cotton-consuming world.

"The agreement between Russia and Germany which came to light at the Genoa conference was known to the English long before the conference. There are confidential features in connection with this trade alliance in which England prominently figures. This alliance and the Genoa conference means that a vast horde of the human race, who are half-starved and half-clad will be furnished with an

opportunity to go to work. It means more than this: It means that commerce will commence to actively function and that this will be the commencement of an intense revival in commerce world-wide, the most intense commercial activity that the human race has ever known."

### STANDARDIZATION IN BELGIUM

Great strides towards standardization, particularly in the construction, metals, mining, and electrical industries of Belgium are indicated in a report from the Association Belge de Standardization which has just been received by the American Engineering Standards Committee, New York City.

The report shows that the following standards have been approved for issue in Belgium: Rules for the construction of steel roof trusses; rules for the construction of steel tanks; rules for the construction of galvanized, corrugated roofs and partitions; standardization of steel bridges; tentative list of equal angles; standardization of shafts and pulleys; standardization of bolts and rivets; standard requirements for electrical machinery; electrotechnical vocabulary.

These standards with the exception of the tentative list of equal angles have been printed and copies are now available through the American Engineering Standards Committee.

The report shows also that the following proposed standards have been published in the press of Belgium for criticism: Rules for the design and inspection of reinforced concrete structures; chains (dimensions of links; material; reception tests); wire cables for cranes, hoists, elevators and mining purposes.

The draft specifications for methods of analyses for zinc ores, spelter, etc., are under consideration.

# FOREIGN TRADE OPPORTUNITIES

The inquiries for American goods received by the National Association of Manufacturers from abroad will now appear in these columns. In order that the confidential nature of the inquiries may be preserved for the benefit of our members, the addresses of inquirers will not be printed in "American Industries," but the inquiries are numbered, so that members interested in communicating with any of the inquirers may obtain the addresses by writing to the Foreign Trade Department of the Association at 50 Church Street, New York, and mentioning the number or numbers whose addresses they may desire.

Where no language is mentioned, letters in English will be understood.

## CANADA

Woolens, worsteds, serges, suitings, trouserings, cloakings, overcoatings, flannels, and lustre linings for men's wear; also voiles, organdies and plain and fancy colored goods for women's wear. The inquirer in Canada desires to secure American agency connections. (364)

## MEXICO

Stampel brass parts and trimmings such as rosettes, shields, medallions, etc., for electric fixtures and lamps, are required by a manufacturer of electric fittings. Correspondence in Spanish. (365)

Shoes, jewelry and novelties. Low priced goods only are required by an importer. (366)

## CUBA

Potato planting and digging machinery is of especial interest to a miller near Havana who asks for catalogs and full particulars regarding this class of machinery. (367)

Bags for sugar are an article which the buyer for an important sugar mill believes he could handle to good advantage because of his wide acquaintance among the sugar people of the Island. He desires to represent an American maker of standard sugar bags on a straight commission basis. (368)

Canned meats, condensed milk, cheese, and lubricating oils are of particular interest to a commission merchant and broker who states that he is in a position to control a considerable share of orders for the above products in the eastern part of Cuba. (369)

## BRITISH WEST INDIES

Farm implements, wagons, cotton gins, cotton baling presses and fencing and poultry wire are of special

interest to a gentleman in Nevis, who desires to hear direct from manufacturers of these articles. (370)

Shoes, hosiery, shirts and haberdashery, generally. The inquirer desires to represent American firms in Trinidad. (371)

## CENTRAL AMERICA

Small modern dyeing plant; also colors and dyes are of interest to a firm in Guatemala. Correspondence in Spanish. (372)

Textiles, shoes polishes, rubber heels, tires, inner tubes, glassware, electrical supplies, paper, stationery, flour and cigarettes. The inquirer is interested in obtaining American agency connections for Nicaragua. (373)

## CHILE

Rubber stamp making outfits are of interest to an inquirer. (374)

## ECUADOR

Metal and iron bedsteads, rattan and bamboo furniture suitable for shipment knock-down, very low-priced chairs, waterproof fabric for beds, table oilcloth, and kindred goods. The inquirer desires catalogues, price lists and terms. Correspondence in Spanish. (375)

Electrical supplies of all kinds, including transformers, motors, wires, switches, bulbs and small electrical machinery and apparatus for shop and household use, are of interest to this party. (376)

## PERU

Gasoline or crude oil engines and motors for running a brass foundry and machine shop. Catalogues and quotations for machinery of all kinds

in connection with this industry are of interest. Correspondence in Spanish. (377)

Machinery for making absorbent cotton is of interest to a firm of machinery dealers. (378)

Drugs and pharmaceutical products of all kinds. The inquirer desires to represent a manufacturing concern. Correspondence in Spanish. (379)

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**UNITED KINGDOM**

**Representation in England** or Great Britain in the general hardware and tool line is offered to American manufacturers of these products by a long established London house which acts as manufacturers' agents, have their own corps of travelers to call regularly on the wholesale trade, and also have warehouse facilities for carrying stock when arrangements for that purpose are desired. (380)

**European representation.** A man of many years' experience in finance and sales management would consider proposition to represent an American establishment in London or the Continent, preferably on commission basis. (381)

**Hardware, cutlery, stationers' sundries, advertising novelties, fancy goods** and all kinds of articles suitable for mail order business are of interest to a recently established firm in London who are prepared to furnish cash with order for the present. (382)

**Glucose** for brewing purposes is required by a firm of merchants in England who desire offers c. i. f. Dublin, Liverpool, Glasgow and Hull. (383)

**Carbon paper** and typewriter ribbons for Scotland. Exclusive agency of an American manufacturer is sought by a firm in Scotland. (384)

**Fruit, canned goods** and agricultural products of all kinds. A firm of merchants' and manufacturers' agents in Scotland desire to secure American agency connections. (385)

**Cement tile making machinery** is of interest to a firm in Ireland. (386)

**FRANCE AND SWITZERLAND**

**Coal, petroleum and steel products** for France. A newly established organization, claiming to be well connected, wishes to represent American producers. (387)

**"Muscovy Glass"** called Mica in French to replace 100 sheets of this glass on various instruments in the following sizes: Diameter 248 x 82 mm. and 248 x 52 mm. and thickness 2 mm. Glass must be free from spots and quite clear. The inquirers desire two samples of larger size with lowest price and time required for delivery. (388)

**HOLLAND**

**Sugar.** The inquirers desire quotations from American manufacturers. (389)

**Children's hosiery** of cotton and wool. The inquirers desire to hear from manufacturers prepared to export on a large scale. (390)

**DENMARK**

**Hosiery** of silk, cotton and artificial silk, for men and women; also woolen sweaters are required by this party. (391)

**FINLAND**

**Non-rusting steel plates** for the manufacture of wash-stands, in sheets 800 x 1850 mm., thickness of 1, 1½ and 2 mm. A large importing house requests prices. (392)

**POLAND**

**Electrolytic copper** in blocks; electric wire and cable, bare and insulated, and underground cable, are of interest to a firm of merchants. Correspondence in French or German. (393)

**Greases** of all kinds for the soap industry; also Canauba wax. A merchant desires to get in touch with shippers. (394)

**Lubricating oils, lard, condensed milk, food products, and boots and shoes.** A merchant in Warsaw desires American representations in these lines. Correspondence in French. (395)

**Automobiles and trucks, agricultural machinery, saw mill equipment, furniture making machinery, wood pulp machinery, tractors, surveying instruments and carpenters' and blacksmiths' tools.** The inquirers desire to secure American agency connections. (396)

**SPAIN**

**Woodworking and metal working machines; bookbinders', printers', and boxmakers' machinery; chemical and confectionery machinery; laboratory and druggists' apparatus; agricultural implements and machines, electric motors, gas engines and industrial and agricultural apparatus generally.** The inquirers desire to hear from American manufacturers with catalogues and prices. (397)

**Machinery for threading** short pieces of iron wire so they will screw into wood is of interest to an inquirer. Correspondence in Spanish. (398)

**Machinery for the glazing and cutting of paper, also for the manufacture of carbon paper, is of interest to a merchant.** Correspondence in Spanish. (399)

**Hardware** of all kinds is of interest to a merchant and importer. Correspondence in Spanish. (400)

**Lubricating oils and greases.** A firm of merchants' and manufacturers' representatives wishes to represent an American firm of petroleum refiners. Correspondence in Spanish. (401)

**Sanitary bathroom fittings** of all kinds; also public washroom fittings and installations of the same material of earthenware. Prices, c. i. f. Spanish port, if possible, including agent's commission, information regarding packing, metric dimensions, and other particulars are requested. The inquirers state that large business can be done in Spain with these goods. (402)

**Silk and cotton products** are of interest to a merchant. Correspondence in Spanish. (403)

**Suspender and garter trimmings** in metal and celluloid; also cotton and silk elastic webbing in solid colors and patterns for suspenders and garters, are of interest to a manufacturer. Correspondence in Spanish. (404)

**Perfumery, chemicals and pharmaceutical products.** The inquirer desires to secure American agency connections. Correspondence in Spanish. (405)

**Sanitary water closets** for indoor installation where there are no sewer connections. A merchant desires complete data and quotations. (406)

**PORTUGAL**

**Bicycles, mineral oils, belting, packing, sewing machines, typewriters, office furniture and supplies, and fire extinguishers,** are of interest to a merchant in Portugal. Correspondence in Portuguese. (407)

**ITALY**

**Machinery for manufacturing stockings, both seamless and with seam.** Catalogues and prices are requested by an American commercial organization in Italy. (408)

**Hardware** of all kinds and tools for mechanics and contractors; also farm and garden tools are of special interest to an Italian manufacturers' agent who particularly desires to represent American makers of these articles. (409)

**Lard, coffee and dried codfish.** The inquirer desires to hear from American manufacturers and exporters. Correspondence in Italian or French. (410)



**AUSTRIA**

**Canvas and camel hair belting** and conveyor bands, glazed kid, patent kid, box calf in black and colors, patent calf, sealskin for bookbinding and pocketbooks in light colors, rebuilt typewriters and cash registers. The inquirer desires to secure American agency connections. (411)

**Crude celluloid** for the manufacture of celluloid products is of interest to an inquirer in Vienna. Correspondence in German. (412)

**ROUMANIA**

**Petroleum well equipment** and materials of all kinds, gasoline and gas motors and engines, tank cars for the transportation of petroleum, and auto tanks. A petroleum firm desires to hear from American manufacturers. Correspondence in French. (413)

**GREECE**

**Sugar cane molasses** is of interest to a firm of importers in Greece, who wish quotations in tanks, barrels or

tank boats, c. i. f. Piraeus. Correspondence in French. (414)

**AFRICA**

**Condensed milk and canned fruits.** An American who is located permanently in Algeria, wishes to represent one or two manufacturers making products suitable for this market. (415)

**Hydraulic presses, pumps and accumulators** for an olive oil plant; also full equipment for a biscuit factory for Tunis. Inquirer desires full data, descriptions and quotations. Correspondence in French. (416)

**Engineering supplies and apparatus** of all kinds are of interest to a firm in Nigeria who requests catalogs and full data. (417)

**ASIA**

**Mineral oils and greases.** A commission agent and merchant, who advises that he imports substantial quantities annually, wishes to receive prices and detailed particulars. (418)

**Water heaters** operated automatically with gas for use in barber shops are of interest to importers in Japan. (419)

**Trunk and bucketmaking equipment,** operated by hand and motor power. The inquirers in India desire full data, including catalogues, and c. i. f. quotations, if possible. (420)

**ARGENTINE**

**Cotton piece goods,** particularly flannelettes, sheetings and shirtings; cotton and leather gloves for women; silk and cotton stockings for men and women; perfumery and toilet articles, rubber heels and aluminum sulphate. The representative of a large French concern with headquarters in Buenos Aires, who is now temporarily in New York, wishes to connect with American manufacturers desirous of being represented in the Argentine market. The concern also buys for own account. (365)

## Tariff And Argentine

**N**OW that the Brazilian Presidential election is over, political activities are diminishing and pressing economic and financial problems begin to receive more attention than was devoted to them for several months past, during which politics constituted the all-absorbing topic.

Some uncertainty prevails as to the actual measures which the next executive may adopt upon assuming his functions in October next. However, it is generally believed, that the new administration will follow closely the policies of the present Government and that the future course of politics will be controlled to a certain extent by Dr. Hipolito Irigoyen, in view of the fact that Dr. Marcelo de Alvear, the President-elect, at present Argentine Minister in Paris, and Dr. Elpidio Gonzalez, Vice-President-elect, who held the post of Chief of Police of the City of Buenos Aires until the last election, are both personal friends, admirers, collaborators and followers of Dr. Irigoyen.

On the whole, the election of the "radical" candidates was favorably received, and it may confidently be expected that sound policies will be continued in foreign as well as domestic affairs.

Until the new executive takes over the reigns of government new measures of fundamental importance are not likely to be adopted by the retiring

Administration. Considering, however, that the "radical" party has a substantial majority in the Chamber of Deputies, it may be that some needed legislation will be at least discussed in detail.

Meanwhile, the difficult cattle situation remains the fundamental economic factor. The products of the live stock industry continue to be greatly depreciated. On the other hand, the vast majority of cattle breeders are not land owners and no substantial reductions of rentals have yet taken place. The local banks are lenient by the force of circumstances and endeavor to avoid an economic collapse, but their situation is becoming more and more involved with the steady decline of the values of the guarantees upon which their loans are based, consisting chiefly of cattle.

Failures are on the increase, the total liabilities of all commercial bankruptcies during April last having amounted to \$16,333,720. Argentine paper, compared with \$15,622,758; \$7,920,052 and \$10,955,295 in March, February and January, respectively. The total liabilities of all failures during the first four months of the current year aggregate \$50,831,827 Argentine paper against \$44,568,291 and \$16,098,233 in the corresponding periods of 1921 and 1920.

Business is proceeding slowly, lack of initiative being apparent on all sides.

The restriction of trading activities is reflected in the Buenos Aires Clearing House figures, which showed during April a total movement of \$2,771,418,116 Argentine paper, compared with \$3,372,840,215 in the same month of last year.

**GARMENTS AND TEXTILES**

A Fair to bring together buyers and sellers of textile goods, garments and allied lines will be held in the Grand Central Palace and 71st Regiment Armory, New York City, August 7 to August 25. The Fair is to be modeled on the lines of the great merchandise fairs which has for many years been held annually or oftener in leading European cities. This Fair is under the auspices of the National Retail Dry Goods Association in cooperation with the National Garment Retailers' Association. Full particulars can be obtained from National Merchandise Fair, 200 Fifth Avenue, New York.

**SAMPLE FAIR IN ITALY**

The Annual Sample Fair at Trieste will be held from September 3rd to 18th. This is the second of its kind to be held in Trieste. Among the special features of this Fair will be a large automobile salon, an Italian colonial exhibit, modern house, modern office and other features, each of these being independent of the sample displays. The American Consul at Trieste offers to furnish interested firms with any information which they may require regarding this Fair.

# Britain's Foreign Trade Grows

**T**HE Board of Trade returns covering the foreign commerce of the United Kingdom during May show an increase of £2,310,000 in exports, as compared with the preceding month, and an increase of £8,150,000 in the value of imports. Total imports for May are given as £88,810,000, against £80,660,000 in April and £86,300,000 in May a year ago. The value of May's exports of British products is stated as £58,040,000, compared with £55,500,000 in the preceding month and £43,080,000 in May, 1921.

Re-exports of foreign and Colonial products reached a value in May of £8,960,000, which compares with £9,190,000 in April. Total exports for May figure out as £67,000,000, which compares with £64,690,000 reported for April.

The following table compares imports and exports of British products during May with those of May, 1921:

	May, 1922	May, 1921
Imports	£88,810,000	£86,300,000
Exports		
(British)	58,040,000	43,080,000
Excess		
Imports	£30,770,000	£43,220,000

Combined imports and exports, excluding re-exports, indicating total British trade during May, compared with May, 1921, are shown as follows:

	May total.
1922	£146,850,000
1921	129,380,000

Increase, 1922 .... £ 17,470,000

This increase of £17,470,000 in favor of May, 1922, compares with £13,690,000 in favor of April, 1921, as compared with the figure reported a month ago.

The May total of combined imports and exports, £146,850,000, compares with £136,160,000 for the preceding

month, an increase of £10,690,000.

Comparative figures are given in the following tables of the trade of the United Kingdom by months for 1913, 1921 and 1922:

IMPORTS			
	1913.	1921.	1922.
Jan. ..	£71,242,271	£117,050,000	£76,480,000
Feb....	63,787,150	96,970,000	69,370,000
Mar. ..	61,342,444	93,740,000	87,870,000
April .	62,953,737	89,990,000	80,660,000
May ..	61,279,378	86,300,000	88,810,000
June ..	58,309,519	88,180,000	.....
July ..	61,783,683	80,760,000	.....
Aug. ..	55,975,704	88,580,000	.....
Sept. .	61,355,725	87,110,000	.....
Oct. ..	71,730,176	84,740,000	.....
Nov. .	68,467,075	89,250,000	.....
Dec. .	71,114,874	85,310,000	.....
Total	£768,734,739	£1,087,980,000	.....

EXPORTS—BRITISH			
	1913.	1921.	1922.
Jan. ..	£45,440,431	£92,750,000	£63,140,000
Feb. .	40,173,443	68,220,000	58,330,000
Mar. .	41,690,310	66,800,000	64,580,000
April .	43,053,417	59,860,000	55,500,000
May ..	43,859,488	48,080,000	58,040,000
June ..	42,837,462	38,150,000	.....
July ..	47,164,702	43,170,000	.....
Aug. ..	44,111,174	51,340,000	.....
Sept. .	44,425,474	54,240,000	.....
Oct. ..	46,623,516	62,260,000	.....
Nov. .	44,756,629	62,890,000	.....
Dec. .	43,327,674	59,370,000	.....
Total	£525,253,595	£703,130,000	.....

## Germany's Debts Double What the World Owes U. S.

America is the world's greatest creditor, Germany the world's greatest debtor. Germany owes almost twice as much as the whole world owes America.

The Bureau of Statistics of the German Government has issued an interesting survey of the world's indebtedness. Standing at the head of the list is Germany's reparation debts, amounting to 132,000,000,000 gold marks, or \$31,000,000,000.

The world owes the United States at present something over \$10,000,000,000, in exact figures \$10,141,000,000—in other words, not quite a third of what Germany is called upon to pay alone.

According to the average dollar exchange at present, the world's debts to the United States amount to 2,667,000,000,000 paper marks, whereas Germany's reparation debts amount to 8,264,000,000,000.

The world's total indebtedness to the United States at present amounts to approximately \$18,000,000,000, distributed as follows:

War loans amounting to \$10,000,000,000; sale of left-over war materials and moneys owing American exporters and importers, each category amounting to \$3,000,000,000; investment in foreign government bonds to the amount of \$2,000,000,000.

Great Britain alone is the United States' debtor to the amount of \$4,000,000,000; France, \$3,333,333,333 (about); Italy, \$1,600,000,000; Belgium, \$375,000,000; Russia, \$192,000,000; Poland, \$135,000,000; Czechoslovakia, \$91,000,000; Serbia, \$51,000,000; Roumania, \$36,000,000; German Austria, \$24,000,000; Greece, \$15,000,000.

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### CARELESS EXPORTERS

According to the Department of Commerce, the new export classification recently adopted at the request of exporters to afford American business really useful statistical service has brought out the fact that serious errors have existed in the official figures for years, particularly in classes showing values only. Most of these errors are due to inaccurate description in the export declarations presented to Customs officials by the shipper or his agent. Investigation has developed, for example, that ship and tank plates, punched and shaped, are reported as low as one cent per pound; alloyed steel bars at 1.6 cents per pound; copper wire at 4 cents per pound; wood and denatured alcohol at 1¼ cents per gallon; white lead at less than 2 cents per pound; 370 stationary electric motors of less than 200 horsepower at an average price of \$11; 183 road plows, scrapers and rollers at \$11 each; 1 centering lathe chuck at \$3,800; grinding and sharpening machines at \$5 and \$5,000 and hoes and rakes at \$132.

The Department says that it realizes that the preparation of the necessary papers at times represents something of a burden and that it does not wish to appear unreasonable. It expresses the hope, however, that export shippers generally will appreciate the fact that the figures in point are being compiled primarily for the benefit of the exporters who are now asked to cooperate. The illustrations given, says the Department, should certainly convince any reasonable exporter as to the utter ridiculousness of some of the returns now received. Just a little more care, and attention to the column "Class No. of Schedule B" on the export declaration, to make certain that an accurate entry is made of the number of the statistical export classification of 1922, under which the goods should be properly classified, will be a great help.

### GERMAN GOODS IN ITALY

"I think the time is nearing that the German goods will, for various reasons, no longer be in a position to compete in this market," writes a manufacturers' agent in Turin to the National Association of Manufacturers. This correspondent thinks American articles will be able to hold their own again, particularly if the rate of exchange will slightly improve and remain stabilized. At any rate, he thinks the time now opportune for Americans to lay their plans and begin active propaganda work for obtaining business, which he considers ought to be theirs in the near future.



## Develop Your Business and Export Trade in Canada

If you are considering the establishment of your industry in Canada, either to develop your Canadian business or export trade, you are invited to

**Consult the Development Branch  
of the Canadian Pacific  
Railway**

An expert staff is maintained to acquire and investigate information relative to Canadian industrial raw materials. Any information you may require as to such raw materials as well as upon any practical problems affecting the establishment of your industry including markets, competition, labor costs, power, fuel, industrial sites, etc., will be given free of charge or obligation.

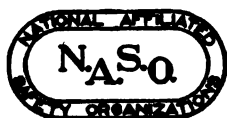
Write to the

**CANADIAN PACIFIC  
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## Safety Devices

### Of the National Affiliated Safety Organizations

**Comfort Safety Goggles**—To protect eyes against flying dust, metal chips or glare of light.

**Arc Welders' Helmets**—To shield eyes against intense rays of the electric light.

**Leggings**—To protect foundrymen's legs against molten metal.

**Shoes**—To protect workmen's feet against molten metal.

**Respirators**—To prevent inhalation of harmful dust or fumes.

**Knuckle Guards**—To protect hands when wheeling barrows or trucks through doorways or narrow passages.

**Ladder Feet**—To prevent ladders from slipping.

**Chip Guards**—To protect eyes from injury by chips thrown from lathe tools.

**Metal Danger Signs**—Portable, for use in shop, yard or street.

**Linen Danger Signs**—Various warnings of danger, for attaching to sign boards or partitions.

**Rules for Crane-men**—For guidance of crane operators and others.

**First Aid Jars**—Emergency outfit especially developed for industrial use.

**Stretchers**—Sanitary metal stretchers, which can also be used as cots.

**Shaft Protector**—Spirally wound mailing tubes, to prevent injury to persons if their hair or clothing should catch on shafting.

The NASO Safety Devices were developed through the co-operation and at the expense of the associations comprising the National Affiliated Safety Organizations—the National Association of Manufacturers, 50 Church Street, New York City; the National Founders' Association, 29 LaSalle Street, Chicago; and the National Metal Trades Association, Peoples Gas Building, Chicago.

The NASO Devices are all sold at practically cost price, but any profits derived from sales are utilized for further research and development work along safety lines.

Information may be obtained from the Secretary of the National Founders' Association.

### OPPORTUNITIES IN THE INDIES

"Americans still don't seem to realize that they have here one of the best markets in the world," writes a correspondent in Cheribon, D. E. I. "A rich country with a large population (the isle of Java alone has 40 million inhabitants) going ahead with everything, and getting more important every time.

"Americans have now still the chance, but if they don't hurry, they will soon be behind and they will be losing the best and most prospective market in existence. Germany is doing her utmost and is coming out with the best she gets. The 'Rheine Elbe Union,' a combination of several of the largest German factories, is opening this month here in Cheribon a most splendid newly built factory, equipped with the latest machinery and all brought from Germany with their own steamers. They are starting with about 500 imported German engineers and workmen and over 6,000 skilled native laborers, and they have already many large government orders, including the building of over a thousand railway carriages of different types. Then, again, the well-known 'Stinnes' concern is getting ahead. It has started large oil factories in Dutch New Guinea, and is building a big iron furnace in Celebes in the center of rich iron-ore mines. Many leading Dutchmen would like Americans to start here, too, and you would have a splendid chance. But by all means, hurry matters, don't wait and consider. Everything is progressing fast. There is now an opportunity! Advertise and compete."

### EXPORTS TO GREECE

Contracts stipulating payment in drachmas must be free from consortium restrictions, otherwise the drachma will not be allowed to go out of Greece.

The Grecian loan law of April 7, 1922, establishes that "except by selling the equivalent in foreign exchange to the consortium, blocked drachmas held in Greece for foreign account, in banks or elsewhere, cannot be employed to purchase remittances or foreign transfers and cannot be credited to unblocked bank accounts without the special consent of the consortium." This consent is at present most difficult to obtain.

All contracts stipulating payment in drachmas should specify that drachmas will be blocked in Greece.

Exportation of Greek bank notes is forbidden unless a permit is granted by the Central Committee of the consortium of banks.

## F. Eugene Ackerman

is now engaged in general editorial and publicity work with offices at

**No. 141 Broadway  
New York, City**

Mr. Ackerman is prepared to act as an advisor or director of national and international information and publicity campaigns for individuals, corporations and foreign governments. He will specialize in inter-organization magazines for the development of good will and understanding between employers and employees, and in the editing of House Organs for the information of the general public or for the stimulation of sales.

Mr. Ackerman during the past fourteen years has had an extensive experience in the United States and abroad as a journalist, specializing in matters of finance and commerce. As an officer of the United States Naval Reserve he re-organized the inter-allied censorship of Brazil and served as organizer and director of the Bureau of Latin-American Affairs of the Information Committee of the United States Government. He has during the past several years directed the organization of chambers of commerce in this country and abroad and has supervised the information services of corporations, associations and foreign governments.

## War Traits In Building

**W**ARTIME traits are beginning to find their way into the building construction industry of New York vicinity, according to the current Dow Service Daily Building Reports.

The most noticeable characteristics of 1917, 1918 and of 1919-20, during which latter years the real stress of the readjustment era proved most oppressive to building construction investors are to-day those of increasing labor scarcity, material shortage and a tendency toward higher construction costs.

Current building construction reports have shown for the last few weeks a marked falling off in housing construction speculation even though plans have been filed and apparently, everything was in readiness to proceed with work. Speculators say they cannot compete with the Metropolitan Life Insurance Company and pay building loan premiums, get

no offers from contractors to erect their operations at cost, nor from labor unions to pledge one day's labor free, or from building material dealers willing to sell building commodities at cost, at a time when there are so many houses on the market that temporary free rent is being offered in some cases to induce tenants to move in.

There is even a disposition among building material dealers to ask why, in the face of a tight building material supply, they should consider making special terms to favor a housing project that will enter into direct competition with purchasers of building materials who have been in the market for years, who pay their bills and who stand to lose their entire speculative housing investments that were conceived and projected at a time when it took daring enterprise to erect habitation structures in New York.

### THE FAIR AT BANDOENG

The third annual international fair to be held at Bandoeng in the Dutch East Indies will open September 18th and close October 8th, 1922. The fair is held under the auspices of the Netherlands Indies Annual Fair Association, which organization was authorized by government decree of October 29, 1918.

The object of this Association is the advancement of industry and commerce in the Dutch East Indies. Several permanent buildings have been erected for the accommodation of exhibits, these buildings including a main hall, a machinery hall and steel exposition building.

The exhibits will include those from public service corporations and transportation companies, machinery, agricultural and other implements, automobiles and accessories, building materials, products of the mines, land, forests, fisheries. There will also be provision made for objects of art and miscellaneous classes of goods.

Further particulars regarding the fair can be had from the Foreign Trade Department of the National Association of Manufacturers, 50 Church Street, New York.

### COMMERCIAL FAIR IN POLAND

The second annual "Eastern Fair and Market" at Lwow (Lemberg), Poland will be held from September 5th to 15th. Exhibits of all classes of goods are invited. The management advises that the necessary steps have

been taken to facilitate import and customs arrangements on exhibits from abroad.

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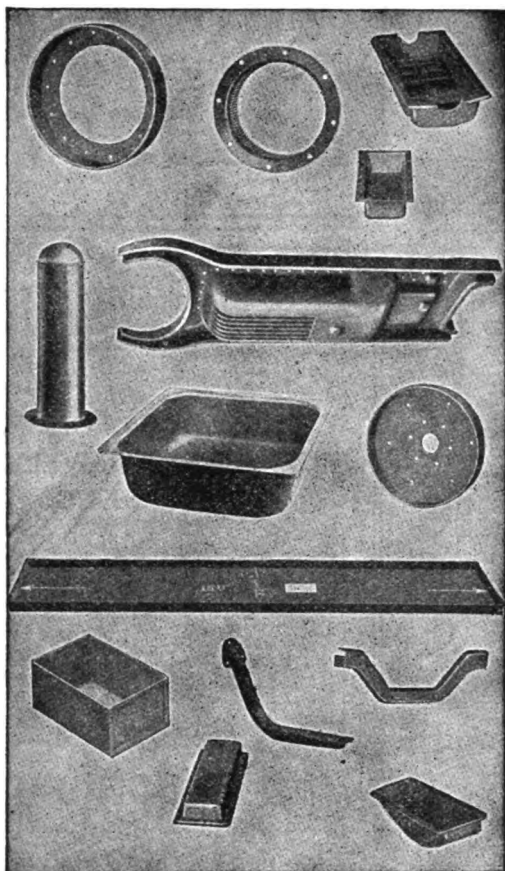
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## Mexican Commerce Body

THE Mexican Chamber of Commerce of the United States has incorporated under the laws of the State of New York and its New York headquarters are in the Woolworth Building, with offices also at No. 45 Bolivar street, Mexico City.

The officers of the newly incorporated chamber of commerce are: President, S. L. Alatrisme; Vice-Presidents, James W. Gerard, Jerome S. Hess and Russell R. Whitmann; Treasurer, Jose Miguel Bejarano.

The directorate is composed of the following: Gumaro Villalobos, con-

sul-general of Mexico; Elbert Henry Gary, Chairman of the board, United States Steel Corporation; Carlos B. Zettina, President, Excelsior Shoe Manufacturing Company; S. L. Alatrisme, commercial agent of Mexico; Grafton Greenough, Vice-President, Baldwin Locomotive Works; Francis P. de Hoyos, General Agent, National Railways of Mexico; Russell R. Whitmann, President, New York Commercial; George L. LeBlanc, Vice-President, Equitable Trust Company; Carlos R. Felix, Financial Agency of Mexico; Jose Miguel Bejarano, Presi-

dent, the Bexar Company; Joseph Hodgson, Vice-President, the New York and Cuba Mail Steamship Company (Ward Line); G. G. Cano, President, Excelsior Importing and Exporting Company; Jerome S. Hess, Hardin and Hess; L. J. Roel, attorney at law; M. L. Gallagher, Trucker, Anthony and Company.

Equal representation has been given on the board of directors to the citizens of both the United States and Mexico, and it is the purpose of the organization to promote business and economic relations between the two countries, to disseminate general information of reciprocal interest, and, in general, to foster friendly and neighborly feelings.

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